

WORLD NEWS

North-south split on financing EU expansion plans

By Peter Norman,
Michael Smith and
David Wighton in Vienna

The European Union was last night struggling to heal a north-south rift over its future finances as serious negotiations began among leaders on preparing the 15-nation group to embrace the former communist countries of eastern Europe.

A first round of talks on

the EU's planned Agenda 2000 reforms uncovered a wide gulf between two groups of EU states: one, headed by Germany, France and Britain, called for a real freeze on EU spending in the period to 2006 to pay for enlargement; and the other, headed by Spain, urged further outlays for those existing EU members with below-average wealth.

But at the 15 heads of gov-

ernment spelled out their positions on the first day of their two-day summit in Vienna, there was little sign of acrimony. Fearful that a public row could harm the imminent launch of the euro, Europe's single currency, on January 1, the leaders conducted their negotiations in a "friendly and constructive" tone, one British official reported.

However, there was no

backing-down from firmly established positions as leader after leader called for all disputed issues to be put on the table. Both Jacques Chirac, the French president, and Göran Persson, the Swedish prime minister, said, outside the meeting, that Britain's EU budget rebate had to be considered in the negotiations. Tony Blair, the British prime minister, reiterated yesterday

that the UK budget rebate negotiated in the 1980s was justified and not negotiable.

Gerhard Schröder, the recently elected German chancellor, underlined his determination to lower Germany's DM25bn (\$15bn) net contribution to the EU budget.

"We are not waving the handbag," he said. "But we have a problem of under-proportional inflows from the EU budget."

In recent weeks, a head of

state has built up behind the idea of stabilising EU spending in real terms at 1998 levels. The Netherlands, Austria and Sweden have joined Germany, France and the UK in arguing that proposals by the European Commission, the EU's executive, allow for too much growth in expenditure.

Joschka Fischer, the German foreign minister, said, "A zero budget is a zero policy and we cannot agree with a zero budget."

José María Gil-Robles, the Spanish president of the European Parliament, was scathing in his criticism.

"We cannot have more union on the basis of less budget. Legend says that Spain's medieval hero El Cid won a battle after his death. Thatcherism appears to be performing a similar feat."

NEWS DIGEST

ASIAN CRISIS HITS EXPORTERS

Turkey moves to boost flagging economy

Turkey's caretaker government yesterday announced emergency measures aimed at tackling the country's economic slowdown and boosting manufacturing exports.

Turkish exporters have been hit hard by the financial crises in Russia and Asia, which have dented demand and profits.

Musat Yilmaz, acting prime minister, said \$120m would be allocated to the state-owned Turkish Erimbank for export credits. The bank's capital would be raised to \$1.25bn to meet additional credit requests.

The government will also end a 6 per cent tax levied on corporate borrowing from foreign banks, and reduce the cost of other loans.

Business leaders have been concerned about the textile industry's flagging sales and have urged government action. Mr Yilmaz said textile manufacturers would get interest-free loans to buy cotton currently in stock.

The economy and finance ministers are expected to announce additional measures on Monday. AP, Ankara

Leaders take first step in jobs pact

By Peter Norman in Vienna

European leaders yesterday took the first step to forging an employment pact for the European Union, holding out the prospect that it would be ready for agreement by the summit of the 15 nations to be held in Cologne in June.

But while Tony Blair, the British prime minister, told fellow leaders the most important message of their two day summit in Vienna that started yesterday was "jobs, jobs, jobs", there was no clear vision of what the pact should entail.

Gerhard Schröder, the German chancellor, who urged work on such a pact in a joint statement with France's President Jacques Chirac earlier this week, underlined the importance of lifelong learning and the need to involve both employers' organisations and trade unions in the initiative to supplement national policies to combat unemployment.

Member states' ministers will be charged with working out details of the new pact. Mr Chirac and Mr Schröder have said it should contain "binding and verifiable goals" and focus on the problems of youth and long-term unemployment and of discrimination against women in the labour market.

Despite the preponderance of Social Democrat or Socialist-led governments among the 15 EU member states, yesterday's discussion of unemployment highlighted different approaches to employment policy among Europe's leaders. Lionel Jospin, the French prime minister, said the pact should contain "new quantitative and measurable objectives", while Mr Blair hinted at an agenda including more supply-side measures, such as greater labour market flexibility, urging the EU to strive for an "employment and modernisation pact".

Some governments appeared to doubt whether an employment pact would significantly change policy, because EU member states are already committed to following policy guidelines, put forward by the European Commission and confirmed by the council of ministers, for tackling unemployment.

Britain and Germany used the discussion on employment to clarify their positions on tax policy in the EU, following recent speculation in parts of the British media that Bonn's new left-of-centre government was seeking to harmonise tax rates in Europe at Germany's comparatively high levels.

Mr Blair stressed that no EU government was pressing for harmonised income or corporate tax rates and no government was opposed to fair tax competition.

By Michael Smith in Vienna

The European Union and Switzerland yesterday hailed a bilateral trade agreement finalised on Thursday night after more than four years of negotiations.

Swiss ministers said the agreement, reached on the eve of the Vienna summit, could add 0.5 per cent a year to the country's gross domestic product in the five years after it is implemented, possibly at the start of 2001.

Hans van den Broek, EU commissioner in charge of the negotiations, said the deal would strengthen ties beyond the terms of the agreement, which covers transport, public procurement, mutual application of trade standards and the free movement of people.

"This is an interim step," he said - and it was up to the Swiss to decide what it was a step towards.

The Swiss government has long been in favour of joining the EU but has been unable to persuade the coun-

try of the attractiveness of the idea.

This week's agreement must be approved both by the Swiss parliament and probably by a referendum before it enters into force. "We have to convince the Swiss people that this is an excellent treaty," said Pascal Couchepin, economics minister.

The door was opened for the deal last week when EU and Swiss transport ministers agreed an accord over Alpine charges for lorries. Negotiators moved quickly

to resolve remaining differences including the labelling of wine, landing rights for Swissair and the treatment of EU workers in Switzerland.

More than 800,000 EU citizens live in Switzerland with limited rights. After the treaty enters into force EU citizens with a residence permit will have a right to stay, to bring their families and to participate in the social security system.

Five years after the agreement enters into force each EU citizen will be able to

settle in Switzerland under the same rights which EU countries afford one another.

In agriculture a range of products will benefit from preferential access to markets. Measures will also be taken to facilitate trade in wine, animal feeds, seeds and biological products.

In transport Switzerland will give up its ban on lorries over 38 tonnes. Environmentally based charges will be phased in.

Switzerland is already the EU's second largest trade partner after the US.

Blair backs delay over duty-free

By David Wighton and Michael Smith in Vienna

Finland was more cautious, with officials indicating it would not hold out against change if postponement was supported by all other countries.

The strongest opposition is thought to come from Wim Kok, Dutch prime minister, who was directly involved in the 1991 decision to abolish duty-free sales amid growing signs of support from other European Union countries.

Mr Blair warned other EU leaders that the regime proposed to replace duty-free was unworkable and called for abolition to be suspended until new arrangements were worked out.

Suspension of the decision on duty-free would require unanimous support from all 15 EU member states. Although Mr Blair conceded it was still unlikely that there would be unanimous agreement he said it was at least possible.

In addition to Britain, France and Germany, the proposal is firmly supported by Ireland, Greece and Spain. Over the last two days Sweden and Finland have also softened their opposition to postponement. Göran Persson, the Swedish prime minister, said Sweden would not block such a move

if there were a large majority in favour.

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A crane is positioned as workers prepare to attach steel braces to the famous Leaning Tower of Pisa, yesterday, in the latest scheme to stop the famous Italian landmark from reeling to ruin.

Four cables are to be attached to the monument, which is 58m high and has developed a 5m tilt over eight centuries. They will hold the tower while soil is removed from under one side of it. Reuters

Glittering prizes in new soccer league

By Patrick Harverson

The soccer club which wins the elite European Champions League next season could earn up to SF700m (\$52m) in prize money, more than three times as much as this year's winner, under the new look competition unveiled by the sport's governing body yesterday.

The restructuring of the Champions League formally approved by Uefa in Lausanne, Switzerland, represents a significant victory

for Europe's top clubs.

In the new, enlarged competition, the 32 participating clubs will share SF700m of the projected SF700m revenues the Champions League will generate next year. Last season, the 24 clubs which played in the competition shared just SF700m, or only 55 per cent, of the estimated SF380m in gross revenues.

The clubs have been able to force Uefa into a radical overhaul of the Champions League by threatening to join a rival breakaway

super-league proposed by Media Partners, a Milan-based sports marketing firm.

Although the rival league promised the clubs an even bigger total payout, they were reluctant to break away from Uefa. As the governing body in Europe, Uefa had said it would impose severe sanctions on clubs and players that defected.

As part of its reforms, Uefa also agreed to merge the Cup Winners' Cup and Uefa Cup into one competition, which will earn more money for a

larger number of participating clubs.

Under the new system for the Champions League - the most prestigious club competition in world soccer - some of the appearance and prize money payments will be tied to the drawing power of the clubs involved. Clubs from big footballing countries with large numbers of fans stand to earn more than smaller clubs in less-established countries.

Klaus Hemmel, joint managing director of Team Mar-

keting, the firm which sells the television rights and other commercial rights to the Champions League, said he was confident of raising the projected income of SF700m - more than double the current total - because many more games would be played under the new format.

He also declined to rule out the possibility that to maximise revenues some of the games would be shown exclusively on pay-television channels.

Chechens weigh choice between east and west

While Chechnya tries to choose between western and Islamic society, brutal anarchy reigns, reports Carlotta Gall

He decapitated heads of four foreign hostages, lined up this week on a cloth by a bleak roadside in Chechnya, were a chilling reminder of the brutal anarchy reigning in the north Caucasus republic.

The particularly gruesome style of murder is one that Chechens have always reserved for enemies they hated most: spies, traitors and Russian mercenaries. But the hostages, telephone engineers from Britain and New Zealand, were unfortunate bit players in a far greater drama - a bitter struggle for power in the war-ravaged territory that could have far-reaching consequences.

At stake is not only the political and physical survival of the embattled Chechen president, Aslan Maskhadov, but the direction in which Chechnya itself is heading.

Chechnya's independence, achieved in all but name, is not in dispute. The argument convulsing the repub-

lic is whether it should turn west or east - develop an open, westward-leaning society or a strict Islamic one.

Mr Maskhadov has for the past month made his headquarters at a former Russian military base on the edge of Grozny, the capital. He is back in combat fatigues, running the territory by "special regime" and showing the grittiness determination that brought him success in his two years commanding the Chechen guerrilla force against the Russian army.

He has appointed a loyal young commander, Turab Ali Atayev, as chief of all army, interior ministry and special forces units, and charged him with fighting kidnappers, who have seized dozens of hostages for ransom over the past two years, as well as thieves who are stealing Chechnya's oil.

These groups, many of them former fighters, have earned so much money from the kidnappings - estimated at more than \$20m - that they are better armed and

cal opponents who are trying to force Mr Maskhadov out.

Opponents include former President Zelimkhan Yandarbiyev, an ideologue who is set on making Chechnya a strict, even radical Islamic republic. Mr Barayev is known to be close to him.

Another is Shamil Basayev, a former guerrilla leader. He is an advocate of uniting the whole north Caucasus and freeing it from the Russian yoke.

Even the president's own cabinet has publicly undermined his position. Former hostages have accused his vice-president, Valik Arsenov, of involvement in kidnappings, but the president is either unable or reluctant to remove him.

It is in this context that the president's chief aide, Maribek Vachagayev, explained the murders of the four hostages in an interview in Moscow this week. He said Mr Maskhadov's opponents wanted to force his resignation by holding him accountable for the anarchy which reigns in Chechnya.

Mr Maskhadov says he has no intention of resigning. But he will probably lose the battle to keep Chechnya westward-looking and secular.

The alternative is potentially alarming. "They want a fundamentalist, reactionary Islamic regime, on the lines of Sudan, Afghanistan and Pakistan," says Mr Vachagayev, of the government's opponents.

At worst Chechnya could become a haven for Islamic extremists, enter a new war with Russia, or spread its brand of kidnapping farther afield.

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China curbs foreign role in telecoms

By James Kyng in Beijing

China has drawn up a detailed plan to reduce the market share of foreign telecommunications equipment makers over the next five years and boost that of its own local champions in a fast growing market already worth about \$7.5bn in annual sales.

A state council (cabinet) document, which has not been made public, criticises foreign joint ventures and wholly owned subsidiaries for being too slow to transfer technology to Chinese equipment makers. It adds local equipment makers have developed quickly but are still significantly behind the foreigners and so need help.

China has become a crucial market for companies such as Ericsson, Nokia, Motorola, Noritel, Siemens and others. For example, Nokia sold about \$1.2bn in equipment in China in 1997 and sales have continued to boom this year as the number of mobile subscribers has risen by around 1m a month.

The document recommends greater control over imports of GSM mobile telephony technology, especially where this technology can be sourced from local manufacturers.

Two Chinese companies, Huawei Technologies and Datang Telecom Technology, have recently developed and are operating GSM systems networks. These companies are regarded by the government as shining examples of how China can strive to succeed against technologically more advanced foreign competitors.

The document also says that cities and provinces should not approve foreign joint ventures or wholly owned subsidiaries to set up their GSM systems.

Foreign GSM systems are already in extensive use in China, and orders continue to come from cities and provinces wishing to expand existing services.

The new recommendation appears to apply to areas which are not already covered, analysts said.

The document also recommends greater supervision of whether foreign manufacturers in China are transferring technology to Chinese companies fast enough, and whether they are meeting their agreed targets for exports.

In addition, it recommends a 5 per cent tax on mobile telephone installation fees, the proceeds of which would go to support research and development at Chinese companies.

A second document, this one written by the ministry of information industries, sets out ways to implement the state council's recommendations.

It predicts that by 2001, Chinese companies will control 40 per cent of the mobile equipment market, up from probably less than 10 per cent now.

Opposition members of parliament in New Delhi yesterday supporting a one-day strike

Tens of thousands of industrial and public sector workers across India went on strike yesterday in protest against the government's free market policies, Reuters reports from New Delhi.

Security around industrial installations was tightened and many trains were cancelled ahead of the one-day strike, state radio said.

Over 50 trade unions representing industrial and agricultural workers, students, women and youth groups called the stoppage to back a clutch of demands, including minimum wages, an end to partial sale of state-run enterprises and moves to open the insurance sector to foreign investors.

Most industrial units and business establishments in

the communist-ruled eastern state of West Bengal were closed. State-run Indian Airlines cancelled flights to and from Calcutta.

"We are strongly opposed to privatisation. Private companies swindle profits, specially foreign companies," said Vijay Ganacharya, general secretary of the General Insurance Employees Union at a rally in Bombay.

"The profits from the insurance sector being used by the government to build roads and canals will now go into the hands of a few families." The coalition government is expected to present to parliament next week landmark legislation to open up the domestic insurance sector, ending a decades-old state monopoly in the sector.

AP

INDONESIAN BANKING SCHEME SEEN AS TOO COSTLY, LACKING IN DETAIL AND ONLY PUTTING OFF PROBLEMS

Doubts mount over bank rescue plan

By Sander Thoenes in Jakarta

Indonesia's bank recapitalisation plan announced this week is too costly, lacks detail and will do little but put off banks' problems unless the government applies tough standards, bankers and economists said yesterday.

Bambang Subianto, the finance minister, said yesterday he hoped to finalise the recapitalisation by next March.

Under the plan, the government calculated it would spend Rp253.085bn (\$33.5bn), roughly 28 per cent of estimated gross domestic product for 1998 - to recapitalise 70 state and private banks.

"This is the best choice for now," said Nyoman Moena, a former central banker and

recent chairman of the Indonesian Bankers' Association. "But the bleeding will go on. Bank Indonesia may have to extend more liquidity credits. Doomsday is just a matter of time, but maybe the economy will be more conducive to a real solution than then."

The capital injection, mostly in the form of new rupiah bonds, would raise the capital adequacy ratio of the banks to 4 per cent, still low by world standards. Banks would have to present plans for raising the ratio to 8 per cent in three years.

The cost is much higher than predicted by the International Monetary Fund, which supports a government bailout but wants to limit the budget deficit. The government implied it could end up spending even more.

Forty banks, including all

either to bail out more banks or liquidate any that fail to raise their capital adequacy ratios above 4 per cent.

Mr Bambang said the government had yet to decide the size and coupon of the bonds it would issue to finance much of the capital injection. Bankers expected more than \$20bn in new rupiah bonds.

One banking analyst suggested officials were still debating the number of banks to be saved, with Mr Bambang pushing for a more modest bailout. "This is just the first trial balloon," the analyst said. "The elements are not clear and banks cannot attract new investors until they know more."

The 150 bank audits carried out to date indicate two-thirds of outstanding loans are non-performing.

Forty banks, including all

six audited state banks, had capital adequacy ratios of less than minus 25 per cent and only 54 had a ratio of plus 4 per cent or higher.

The 70 banks eligible for recapitalisation are either state-owned or have a capital adequacy ratio between minus 25 per cent and plus 4 per cent.

By far the most expensive bailout was reserved for the state banks. Officials said six national state banks needed Rp126.442bn and 15 regional banks needed Rp1.309bn.

The government has offered to lend four rupiah for every rupiah invested by private bank owners in the form of bonds that the banks can count as capital.

These bonds will provide interest, but bankers warned that only if the rate was high enough to attract for

sign investors would it be possible to sell the bonds for the cash needed to revive lending.

Mr Nyoman and others predicted the rate would be less than half the 37.9 per cent offered on short-term central bank paper.

"That will be hard to sell," Mr Nyoman said. "It will not help the banks' liquidity much."

Other bankers said the government, by giving a cost estimate for recapitalising 70 banks, had indicated it was wary of closing down any even if they lacked a credible rescue plan.

"Better save the better banks," one bank analyst said. "If you save everybody you run the risk of having to supervise a huge number of people, which is how we got into this trouble to begin with."

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The grisly tale has

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in the country's vast but alluring life assurance sector. As Yoshitomo Yamato, an insurance consultant, says: "I think this shows the industry is not very professional in the way it operates. It needs to change."

Like many Japanese housewives, Mrs Hayashi spent several years selling life assurance. And Mrs Hayashi, who has a chubby, trustworthy face, apparently excelled at her job.

But, police say, life assur-

ance companies failed to spot that she was not only selling policies but buying them herself by this year, it is alleged, she had 130, covering 20 of her friends and family and worth about Y1.7bn (\$14.5m).

Some policies were taken out without the individuals' knowledge. But life assurance companies have rarely checked identities in Japan and no one spotted that strange illnesses were afflicting her acquaintances - and she was collecting the cash.

Police allege that even her husband, a termite exterminator, apparently did not

realise she was trying to poison him.

It was not until four

people died and 60 were

taken ill at a festival in Wakayama that the police stepped in. A pot of festival curry was discovered to contain arsenic, and traces of the poison were allegedly found at the Hayashi household. According to the police, the curry had initially been intended for her husband's friends.

But western analysts say

the case shows the degree

to which the industry is

plagued by quirks. In Japan,

for example, payouts can be

made to a company after a

suicide - a factor believed to

have contributed to a recent surge in corporate suicides.

Even without Mrs Hayashi,

such business practices

now look increasingly unsustainable.

All the life assurance

companies are plagued

by growing debt, losses on

equities and falling invest-

ment returns.

Bureaucrats are consid-

ering forcing insurance

groups to fall or

merge.

The Wakayama case

is probably just a "freak,"

says one western life assur-

ance executive. "But I think

the sector will be forced into

some serious reform soon."

Additional reporting by

Nobuko Juji

JAPANESE INDUSTRY UNDER FIRE A CASE OF MASS POISONING HAS PROMPTED CALLS FOR REFORM OF THE INSURANCE SECTOR

Police see life assurance link in deaths

By Gillian Tett in Tokyo

Until recently Masumi Hayashi, 37, seemed a typical Japanese housewife. Now, she has been dubbed a killer by Japan's media - and triggered deep embarrassment in the nation's life assurance industry.

This week Mrs Hayashi was arrested on suspicion of carrying out one of the most bizarre murders seen in Japan - a mass poisoning in the industrial town of Wakayama in July - as part of a life assurance scam. She initially denied the accusations but has lately refused

to comment on them.

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COMMENT & ANALYSIS

Clinton in Holy Land

Judy Dempsey explains why the US president is likely to get a hostile reception when he arrives in Jerusalem



The Arabic caption 'Tu a Palestinian' with a poster image of President Clinton in Jerusalem

Clinton go home" the posters in Jerusalem say (even before he arrives). Others show President Bill Clinton with a traditional Arab headdress. "I am a Palestinian" runs the mocking headline above the photomontage.

It is, to say the least of it, a less than warm welcome for the president of the country that is Israel's staunchest ally, who is due to begin a three-day tour of the Holy Land today.

The visit was intended to celebrate the peace process that Mr Clinton helped revive two months ago. But the Wye Plantation accord, signed by Israeli and Palestinian leaders, is going nowhere. The promised handover of more Israeli land to Palestinians is not happening, while Palestinians have staged violent protests to demand the release of political prisoners.

Instead, the occasion could have a different significance. Mr Clinton is to address the Palestinian parliament. That could mark an historic change in the relationship between the US and the Palestinians. And that in turn would have a wider significance both for US-Israeli relations and for US policy in the Middle East as a whole.

As the posters in Jerusalem make clear, Mr Clinton's Israeli hosts do not much want him in town. Several ministers have been carp about the state visit, with some even suggesting the trip should be cancelled. Benjamin Netanyahu, the prime minister, offered a less than gracious welcome by declaring: "If he wants to come, he should come. If he does not want to come, he should not come." For Mr Clinton, who is leaving the impeachment debate in Washington, it must feel like jumping out of the frying pan, into the fire.

The cause for the Israeli government's discontent is that, for the first time, a US president will set foot on Palestinian soil. Mr Clinton will visit Gaza City on Monday, where he will address the Palestine National Council, the "parliament" of the Palestine Liberation Organisation.

Mr Clinton's address to the Palestine National Council will be steeped in symbolism. It will take place almost 10 years to the day since the US began a dialogue with the PLO, then viewed by Washington as a terrorist organisation. It will inevitably be construed by Israel as giving implicit US backing to the Palestinian quest for statehood. So concerned are Israeli leaders that a proposed meeting between the US

leader, Mr Netanyahu and Yasir Arafat, president of the Palestinian Authority, may be cancelled because of Mr Clinton's controversial visit to Gaza.

US diplomats said Mr Clinton wants to use the Gaza visit as an opportunity to redress the unequal relationship between Mr Netanyahu and Mr Arafat.

"Of course they are unequal partners, given Israel's overwhelming strength," one US diplomat said.

Not that Mr Clinton is likely to

gain much popular credit among Palestinians. On the streets of Gaza, there is hardly a US flag in sight. No posters celebrate Mr Clinton's arrival there.

Perhaps this is because America's diplomatic shift has little significance for ordinary Palestinians, many of whom remain sceptical, indeed unenthusiastic, about Mr Clinton's historic visit.

"The US will always back Israel against us," said Fayed Khalid, a teacher who lives in a refugee camp. "I admit Clinton's visit is symbolic. It is a big push for our state. But our faith in Clinton will increase if he can get our people out from jails, get us the right to travel to Jerusalem and the West Bank, and tell Arabs to respect human rights."

Other Palestinians, however, are conscious of the symbolism of the visit, as Ziad Abu-Amra, a legislator, explains: "Clinton's visit represents recognition of some kind and perhaps an indirect endorsement of what the Palestinians are trying to do, which is to establish their own state."

That is exactly what the Israeli government fears. David Bar-Ilan, adviser to Mr Netanyahu, yesterday said he hoped the presidential visit was "not perverted into an implicit American recognition of the Palestinian attempt to unilaterally declare a state".

If, by next May, there is no progress on the peace front, Mr Arafat has said he will proclaim the independence of Palestinian territories. Israel has responded by threatening to annex Palestinian controlled areas of the West Bank.

US diplomats concede it will be difficult for Mr Clinton to assuage Israel's fears regarding Washington's closer ties with the Palestinians. The president is also unlikely to change the minds of Israeli ministers who oppose the Wye accords, just as he is unlikely to meet the expectations of what he can do for the Palestinians.

But if he is to have any chance at salvaging the peace process in the coming days, it could well depend on Mr Netanyahu accepting Washington's changing relationship with Mr Arafat.

Not that Mr Clinton is likely to

Delicate touchdown among the stateless

Clinton's visit to Gaza could help the Palestinian quest for nationhood and boost US standing in the Arab world, says Stephen Fidler

Originally seen as a celebration of the Wye accord, President Clinton's trip to Israel and the Palestinian areas is being viewed instead as a salvage operation.

The visit was envisaged as part of an agreement that was never going to be easy to implement. "We knew when we left Wye that we would be facing a bumpy road, and some of those bumps have already been jarring," Madeleine Albright, US secretary of state, said yesterday.

But the visit's timing is proving more difficult than anticipated. Not only is an impeachment challenge against Mr Clinton rolling forward in Washington, Mr Netanyahu's political future and that of

his government hangs even more precariously in the balance.

That has meant Mr Netanyahu has had to react sympathetically to the attacks on Wye from rightwing parties in his coalition.

Stephen Cohen, vice-chairman of the Centre for Middle East Peace and Economic Co-operation, says the visit may well not look like much of a success.

Its main importance will lie in the enormous symbolism attached to Mr Clinton's visit to Gaza city.

"What's extraordinary is a sitting American president going to

a Palestinian national meeting, the very body that the Palestinians see as the embodiment of their aspirations," he said. "In retrospect, people will recognise that Palestinian legitimacy has taken another huge step forward."

Zeev Danon Gadot, a fellow at the Washington Institute for Near East Policy, says the symbolic importance of the visit to Palestinian areas "is one of the few things" that Israelis and Palestinians can agree on.

When Mr Netanyahu signed on to the visit at Wye, he "didn't realise the symbolic significance", says Mr Cohen. That is

why Mr Netanyahu's government has made every effort to chip away at its impact, for example by pressing the Americans not to land Air Force One, the president's sky-blue Boeing 747, at Gaza's international airport. The president will arrive by helicopter, not by car as the Israelis wanted.

Publicly though, the US is insisting that the visit does not confer sovereignty on Palestine and is not meant to. That issue, as Mrs Albright reiterated yesterday, is one for the "final status" talks scheduled for May.

The key to Mr Clinton's peace-brokering in the Middle East, as it was in Ireland, may be that he has managed to view the problem from the vantage point of those who have traditionally had few backers in Washington. In Northern Ireland, this was the majority Protestant community; in the Middle East, it has been the Palestinians.

A closer relationship with the Palestinians may, incidentally, improve the US's standing with the Arab world, which has long been critical of Washington's perceived unquestioning support for Israel.

The visit was therefore always meant to be a reward to Mr Arafat for the great distance he moved to get any agreement at Wye. That asymmetry has been made more problematic as Mr Netanyahu's government has struggled to hold on to power.

LETTERS TO THE EDITOR

A national laughter index

From Mr Frank Blackaby.

Sir. The array of lifestyle economic indicators now being suggested should help to connect public policy somewhat more closely to human satisfactions. There is still some way to go.

Life should be fun. The aim of policy should be to help more people to have more fun in life. People who find life fun smile and laugh more than those who don't. This suggests a good general indicator of policy success.

We need an array of laughter meters randomly distributed in homes, offices, streets and public places. A national laughter quantum should be calculated. There would have to be some seasonal adjustment. There should also probably be some allowance for national tragedies, such as the failure of British footballers to make it to the World Cup.

There may be a trend of gentrification by which smiling is

replacing outright laughter. It is a bit more difficult to calculate a smile quantum, but it could be done. Most people show their teeth when they smile, and the very large number of cameras which now observe our every move could be programmed to pick up teeth-displays. It is true that a few people display their teeth when they are angry: but that is probably a small and stable percentage of the total.

These ideas may not go down well with the Scottish Presbyterian branch of the Labour Cabinet. It will not be easy for them to change their standard speeches - from claiming that they are making Britain great again to claiming that last year they raised the National Fun Index by 2 per cent. Mr Prescott might perhaps go for it.

Frank Blackaby,
5 Fenwick Road,
London SW8 1LD

Skeletons in China's closet

From Bill Tignanelli.

Sir, I read with interest Paul Abrahams article on "Japan's wartime ghosts" (November 23). I agree with all of his points as they relate to Japan. As for China, while Japan committed horrific atrocities against the Chinese people, it pales in comparison to policies of the leaders of China. Chairman Mao's Great Leap Forward killed millions of people and the Cultural Revolution was 10 years of terror. And who can forget Tiananmen Square. Japan needs to address its wartime past, and China needs to address its own killing of Chinese citizens. Then President Jiang may hold his head high when he next talks to the Japanese. Nothing is worse than a government that kills its own.

Bill Tignanelli
502 S. Sharp St.
Baltimore, MD 21201 USA

Japanese grammar is not ideology

From Ms Sarah Newton.

Sir, Having lived and worked in Japan for five years, speaking Japanese on a daily basis, I can sympathise with Gillian Tett's indignation ("A minefield of respectful words", November 23) that men and women have different ways of doing things over there which are different from our different ways of doing things over here. Nor is she the first westerner in Japan to go down with an acute case of White Man's Burden.

I do assure her, though, that her indignation will pass and she will realise - once she understands that 'o-tezumi' represents grammar and not ideology - that Japan's language and culture require a certain degree of insight to appreciate, rather than any gung-ho culturally imperialist "solution" which she seems to think necessary.

The phrase "honourable toilet"

smacks of a late-Victorian fascination with quaint foreigners.

Perhaps it's worthwhile recognising that the 120m Japanese seem to

get round the "considerable ambiguity" of their language and

understand one another perfectly

well without the "streamlining"

she seems to support. Coming

from a culture buzzing with

"inappropriate relationships"

and "collateral damage", we're hardly

in a position to throw stones.

After all, it's not polite.

Sarah Newton,
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Wine guide sorts the chaff from the wheat

From Mr Tom Stevenson.

Sir. Giles Macdonagh's comments about my Millennium Champagne & Sparkling Wine Guide ("A glut of reading for the armchair gourmet", December 5) are completely unfounded. The book clearly states that none of the "nastiest champagnes and sparkling wines" he refers to are included. The very ethos of this annual buyer's guide is to sort the chaff from the wheat, thus only 800 of the 2,000 wines I tasted qualified for inclusion.

Macdonagh obviously has a hang-up about scores in general

and 100-point systems in particular, but when faced with hundreds of tasting notes the reader has a right to expect the author to indicate whether one wine is preferred to another and, if so, by how much. I use the entire span of my percentile points: to achieve a score of 50, a wine has to be clean and sound, although it will not have many other redeeming features, while wines under 50 have varying degrees of technical faults or are simply repulsive. A wine scoring 60 has some potential, but to achieve 70 points it must make interesting

drinking, thus I use this score as the entry level for my millennium guide.

This is why the average rejection rate for the guide was 65 per cent, with as much as 77 per cent of the Cava and 80 per cent of the Sekti failing to qualify. I hope this clarifies the situation for any readers who might have been misled by Giles Macdonagh's review.

Tom Stevenson,
7 Bridge Street,
Witney,
Oxon OX8 6SY, UK

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COMMENT & ANALYSIS

Dictator at the bar, how do you plead?

After General Pinochet, who might be next, asks David Buchan

General Franco died well before international human rights law became fashionable. Even so, he played it safe. In the 30 years he ruled Spain after the second world war, he only went abroad once, to visit his fellow dictator President Salazar of Portugal. And the generalissimo took precautions, arriving by sea, it is said, with three cruisers and six destroyers.

If there is one clear lesson to be drawn from the case of ex-President Augusto Pinochet of Chile, it is that former dictators are best advised to stay at home. For it was the Chilean dictator's confidence that he could come to London, shop at Harrods, and take tea with former prime minister Margaret Thatcher - all with impunity - that has now put him at risk of being extradited to Spain on charges of murder, torture and kidnapping.

Who else might be at risk? Incumbent dictators still seem to be safe, even if they travel. When President Laurent Kabila of Congo went to Paris last week for a Franco-African summit, the French government let it be known that it would not entertain any attempt to put its invitee in the dock, because he had sovereign immunity (unlike Gen Pinochet, he is a serving head of state). No western government would dare arrest any visiting leader from China, with which the west now has a dialogue on human rights and, more importantly, big commercial contracts.

No doubt western governments would treat dictators of pariah states differently, if they could

get hold of them. "Clearly we couldn't have Saddam Hussein doing his Christmas shopping at Harrods," said a UK minister, but then the Iraqi dictator does not travel outside his country. Nor generally does President Slobodan Milosevic of Yugoslavia. He has in recent years made the odd trip to Russia (for peace negotiations over Kosovo) and to Greece (which is traditionally pro-Serb). But the International War Crimes Tribunal on the former Yugoslavia has yet to accuse him of anything, and unless or until it does, he is probably safe, even outside his own country.

In these cases, "sovereign

The spectre has been raised of the arrest in some third country of Lady Thatcher for the sinking of the Belgrano or Ronald Reagan for the 1986 bombing of Libya

immunity" would seem not to apply even to serving heads of state. For former dictators, the UK ruling that such people cannot claim sovereign immunity will make them hesitate even longer before they finalise their travel plans. Ex-president Suharto is still in Indonesia and has not been charged with anything by his successors. But he might think twice before going abroad for medical treatment.

In theory, others who have taken refuge abroad could feel threatened by the Pinochet rul-

ing. But by and large they have chosen host countries which

has been raised of the arrest in some third country of Lady Thatcher for the sinking of the Belgrano (torpedoed with heavy loss of life during the Falklands war just when, by some accounts, the battleship had turned back to Argentina), or Ronald Reagan, the former US president, for his 1986 bombing of Libya (in which some civilians were killed) or his use of receipts from secret arms sales to Iran (actually illegal under US law) to fund anti-communist Contra guerrillas in Nicaragua. However, such cases would probably be dismissed as legally "frivolous", in the sense

that the actions were acts of state (though perhaps not in the Iran-Contra affair) and did not in any case constitute major or systematic breaches of the laws of war or human rights.

Before jumping to too many conclusions about the wider impact of the Pinochet affair, it may be necessary to wait to see how the case against the ex-dictator actually fares. But it is not too early to detect a change in international opinion and even international law wrought by the Pinochet affair.

The air of assumed impunity surrounding ex-dictators sud-

denly seems to have evaporated; people are realising the ex-emperors have no clothes. One sign of this was the way that other governments - Switzerland, Sweden and France - piled in with their extradition requests in the wake of Spain's demand for Mr Pinochet to be handed over. These other governments give priority to Spain's extradition request,

would probably be horrified if the Chilean senator ended up on their soil, and are just jumping on the human rights bandwagon.

But a bandwagon there appears to be - even in Latin America. True, at this week's Mercosur summit of the South American trade group, there was hacking for Chile's protest at Britain's behaviour in the Pinochet affair (though not from Brazil). But the Mercosur leaders also said they support the progressive development of international norms on the criminal responsibility of individuals who commit crimes of international transience".

However, it is in Europe that

The Pinochet Defense

I was only giving orders...



the new international human rights order is taking shape fastest. This is happening partly through the activities of the continent's investigating magistrates such as Judge Baltasar Garzon (who brought the original indictments against Gen Pinochet) and partly through the broader work of the Council of Europe and its human rights convention and court. "The Council of Europe used to be a club of conventions between like-minded states codifying what they already do," says Andrew Carter, the UK ambassador to the Council. But in the past decade Russia, Ukraine and more than a dozen ex-communist states have brought the Council's membership up to 40. "The task now is to take in all these countries, but prevent our human rights standards being diluted or weakened," Mr Carter says.

Outside Europe, the main battle against human-rights abuses is the new International

Criminal Court. The aim of the court is to provide a permanent body where crimes of genocide, crimes against humanity and war crimes could be judged, if no national prosecution were launched. It will be mid-2000 at the earliest before the necessary 50 states have not only signed but ratified the convention and the court can start work.

If the international court were

now already in existence, it could indeed have provided the right forum for trying Gen Pinochet. The court can exercise jurisdiction only if it gets the go-ahead from the accused's home state or from the state on whose territory the crimes were committed. In the Pinochet case, that would mean Chile on both counts. But Chile actually signed the convention in September just before the Pinochet affair blew up. Indeed before the UK House of Lords, Gen Pinochet's lawyers argued the court could be an appropriate

forum to try their client. But human rights activists dismissed this as a smokescreen put up in the knowledge that a working court is still some way off. They also pointed out that the international court gives action through national courts priority.

The major political obstacle still facing the international court and a new world human rights order is the US opposition, rooted in Washington's fear that its soldiers, spread out across the globe, will be the target of "frivolous" charges of war crimes. The US voted against the court, essentially because it would not be able to veto such suits. The Pinochet case has turned the US even further against the idea. Seeing what a diplomatic-legal crisis a freewheeling Spanish magistrate can unleash has, in the words of a senior White House official, "only confirmed us in our opposition" to the putative world court.

Fair share ruled out for soccer fans

Patrick Harverson considers one of the most neglected players of the corporate world, the game's shareholder-supporter

Who'd be a shareholder-soccer fan? On Wednesday, the once-mighty Dutch club Ajax of Amsterdam was eliminated from the elite European Champions League after a humiliating 3-0 loss to Porto of Portugal.

The next day, the Amsterdam stock market wiped 10 per cent of the value of Ajax shares in response to the loss, adding financial insult to sporting injury.

As Paul Goyder, founder of the Centre for Tomorrow's Company and a keen Arsenal follower, says of the "double jeopardy" faced by shareholder-fans: "You buy shares in the club and they do horrible things to you, and because they do horrible things to you, your share price falls."

That is not the only recent problem. This week, shareholder-fans of Newcastle United stood by helplessly as shares in their club fell further, dropping to just two-thirds of their issue price after the chairman and two directors resigned in protest over the return to the board of the club's two controversial majority shareholders.

Such events, both on and off the pitch, are highlighting tensions inherent in one

of the more curious relationships in business life. They could end by forcing the companies to come to terms with their unique constituency of shareholders.

Clearly, the shareholder-fan is not your normal sort of shareholder. Yet few quoted soccer clubs, says Mr Goyder, believe this is worthy of recognition.

"In the soccer supporters you have a coming together of several of the different relationships that make up a normal 'business,'" he explains. "You are talking about someone who is a shareholder, someone who is a customer, and someone who is - if not an employee - then at least like one in the sense that they are the supplier of some indefinable force called support, without which the soccer club would not exist."

"So the point the clubs have missed is that you are not talking about one relationship, but three rolled up into one. An intelligent club would say: 'If I've got this much goodwill wrapped up in one person, then I should start arranging a special dialogue with them and special governance structures.'"

Yet in the UK, only one club, Charlton Athletic, has

a shareholder-fan representative on its board of directors. He speaks for the 3,000 fans who own 17 per cent of the club.

Charlton, however, is the exception that proves the rule. Jonathan Michie is professor of management at London University and a founder of the Shareholders United Against Murdoch group, which opposes the proposed takeover of Manchester by BSkyB, Rupert Murdoch's satellite broadcaster. He says: "What's been missing from all these soccer flotations is any representation of small shareholders through the club or on the board. You would expect it from companies that fit the New Labour ideal of a stakeholder company."

The concept of stakehold-

ing may not be easy to define, but by any standard, the shareholder-fan is as good an example of a shareholder as anyone in corporate life.

Rogan Taylor, director of the soccer research unit at Liverpool University and a lifelong advocate of fan power, says too many clubs regard shareholder-fans as a nuisance. "Clubs see that kind of shareholding relationship as one of the disad-



Which way to the shareholders' meeting?

vantages of going public," he says. "It has forced them into answering questions from people whose interest is not just how much profit can be provided for them from their shareholding."

Some clubs go to extreme lengths to avoid such questions. Sunderland, for example, held its first annual meeting at its first annual meeting as a public company in London on the day of a match that many of its shareholder-fans would have attended in Bradford.

However, some shareholder-fans believe their presence in the club's share register has at least given them an opportunity to express opinions directly to the managers which was denied them as ordinary fans.

"Compared to, say, a shareholder in a utility, soccer shareholders are treated badly by the clubs, but compared to how the fans have been treated in the past, at least share ownership has

given them a little bit of leverage," says Prof Michie. With 23 per cent of the equity between them, Manchester United's shareholder-fans own more of the club than the directors and more than any single City institution. But at last month's annual meeting they failed to persuade management to give them a seat on the board and a say in the running of their club; a club that could soon be part of a multinational media group that is even less likely to give the fans a say in United's affairs.

There is a crumb of comfort: The club's shareholder-fans can console themselves with the thought that their team - unlike Ajax - is still in the European Champions League. But the day after Manchester United secured its position, the shares did not move an inch. The life of a soccer shareholder-fan is indeed a difficult one.

Schweppes is being swallowed by Coke, says John Willman

Jacob Schweppes, the German jeweller who invented the modern carbonated soft drink more than 200 years ago, must be turning in his grave. In most of the world, the drinks that bear his imprint will soon be owned by Coca-Cola, an American upstart created almost a century after Schweppes' "sorbet water".

Jacob's name is still in the title of the UK company that currently owns Schweppes mixers, along with a portfolio of other soft drinks such as Canada Dry ginger ale, Dr Pepper and Crush. But Cadbury Schweppes is to sell its soft drinks interests outside the US to Coke largely severing the connection with one of its two founders.

The sale marks the end of an attempt to conquer the world for British soft drinks that began in 1989, when Schweppes merged with Cadbury, a chocolate company with global ambitions. The fashion for shareholder value in the management of large groups now means that Cadbury Schweppes has decided to take the \$1.8bn (£1.1bn) offered by Coke rather than persevere with building a global market for its drinks brands.

"These brands are famous and profitable," said John Sunderland, Cadbury's chief executive and an evangelist for value management. "However, they can be more successfully grown outside

the US within the broader international infrastructure which Coca-Cola has established over many years."

The brands are certainly profitable: \$85m of trading profit on sales of \$1.67bn - a thirst-quenching 35 per cent

in the rest of the world, however, only Coke has a coherent distribution network. These are its 10 "anchor bottlers" such as Coca-Cola Enterprises in the US and UK and Coca-Cola Beverages in eastern and central Europe.

Cadbury had the option of creating its own global bottling system - but yesterday's sale means it has decided it has better things to invest in. Mr Sunderland believes the group can get better returns by making acquisitions on the confectionery side of the business.

"Stitching up a deal with Coke was the only logical solution to the problem of distribution outside the US," said David Lang, analyst at Hender

son Crosthwaite.

Cadbury will retain its soft drinks interests in the US where it has critical mass and secure "routes to market". Schweppes, Canada Dry and Dr Pepper will then have two owners worldwide, in the same way as 7 Up, which is owned by Cadbury in the US and Pepsi elsewhere. That has not been a huge success for 7 Up, however - it has lost market share to competitors such as Coca-Cola's Sprite.

The outlook, then, for Jacob's heritage is much less certain. Coke will give his aerated waters global distribution, at the expense of divided ownership. Not a recipe for fizzy growth.

MAN IN THE NEWS TOM MCKILLOP

Fuddy-duddy of drugs

David Pilling on a chemist's trip from student radical to overseer of AstraZeneca, the massive pharmaceuticals merger

to Peter Doyle, like Dr McKillop also a graduate of Glasgow University. Mr Doyle was a signed-up fuddy-duddy. He had joined ICI a few years earlier and thought the UK chemicals company would be keen to take on a man of McKillop's gifts. He had graduated in chemistry with the highest marks in his year.

Dr McKillop was initially unimpressed. "And then Peter said: 'Only a fool could begin a career without considering the alternatives.' That was so compellingly logical, it was the end of the discussion."

Dr McKillop duly presented himself for interviews at ICI's Runcorn site and was sufficiently bowled over by the discussions that he joined the company on the spot.

He was like an impulsive young man signing up for the army. "On the plane going back to Paris I had to figure out how on earth to tell my wife," he recalls. "We had bought a house in Glasgow and everything. My wife

married someone she expected to stay an academic, having students round for stews, that kind of thing. She sometimes reminds me of the lack of consultation," he says with studied understatement.

Now his life is to change dramatically again. Only a few years ago he was technical director of ICI Pharmaceuticals, an important job, but some way off the rarefied air he is about to breathe. When Zeneca was spun off as a standalone pharmaceuticals company in 1993, he helped ensure that the child outstripped its corporate parent by pushing a series of new drugs through research and development.

He is equipped to oversee its next phase? Zeneca is British, Astra is Swedish and cross-border mergers are notoriously messy. He will be required to balance the market's desire for rigorous cost-cutting with the need to build a new corporate entity. One long-time Zeneca watcher is unsure that Dr

did not do as well as hoped, the company was forced to look for a partner.

Some have even blamed Dr McKillop for the predication since he oversaw the disappointing drug launches.

"This merger is not driven by necessity," he insists. "We believe and we have always believed that we have terrific prospects on our own. We are doing this because we are convinced that this merger is better than going it alone."

Two forces are driving consolidation in what is still a fragmented industry, he believes. One is the ever-escalating cost of coming up with new drugs as the revolution in genetics and molecular biology forces pharmaceuticals companies to delve deep - and expensively - into the workings of the human body. The other is the cost of marketing, particularly with the advent of direct-to-consumer television advertising in the US. More and more spending in both areas is leaving the smaller drug companies trailing.

These pressures are real, agree analysts. But if Astra brings with it the benefit of scale, it also comes with liabilities. Most important is the imminent patent expiry of Losac, an anti-ulcer agent and the biggest money-spinner in the history of the drugs industry. If Astra cannot extend its patent on Losac beyond 2001, earnings will plummet. And the Swedish company does not have another blockbuster up its sleeve.

Sceptics say that, rather than filling Zeneca's empty-seeming pipeline, Astra may serve only to compound the problem.

Dr McKillop is convinced such criticisms are unfounded and that the two companies are perfect fit.

He thinks back to his time as a student in France in 1968, when, in his opinion, those in charge had not moved quickly enough. The art of good management, he says, is to anticipate the difficulties and to react to a changing environment.

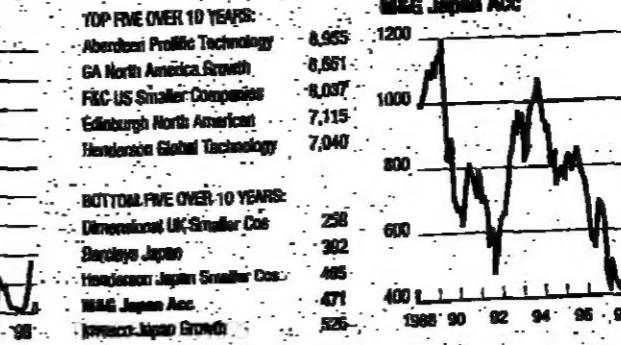
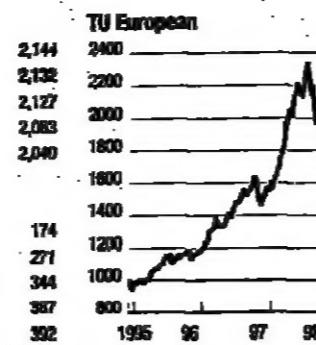
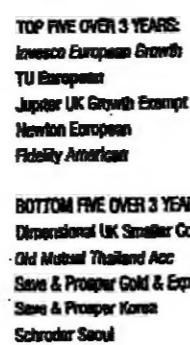
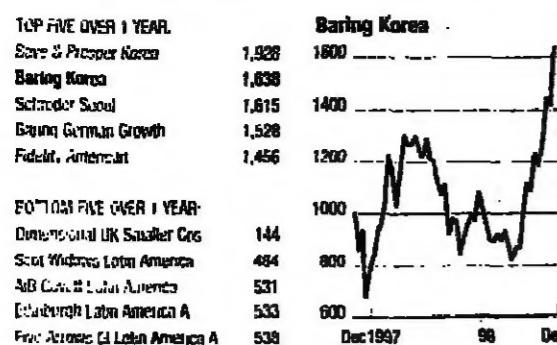
Good companies, he says,

live permanently on a "creative edge of chaos". His conversion to management speak - even if the phrase is borrowed from his early days as a pure mathematician - suggests his journey from student radical to corporate fuddy-duddy may be complete.



UNIT TRUSTS

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■ Indices		1 year	3	5	10	Monthly YTD
Armenia Unit Trust	1011	1242	1440	2292	44	24
America Investment Trust	1027	1200	1468	2280	62	44
Bank	1065	1123	1259	1765	60	57
Balding Society	1043	1114	1202	1759	60	54
Structurized FTSE All Share	1085	1507	1896	3293	38	33
Africa	1037	1098	1169	1502	63	-

■ UK Eq & Bd		1 year	3	5	10	Monthly YTD
Cash Income Div	1028	1490	1638	2620	3.1	2.7
Perpetual High Income	998	1473	1765	4615	3.8	3.8
AXA Sun Life High Yield	1019	1444	1558	2590	3.1	2.6
NPI UK Extra Income	1080	1441	1733	-	3.0	1.8
Lloyd's Bank Extra Income	1005	1431	1591	2650	3.1	2.6
SECTOR AVERAGE	1023	1616	1613	3128	3.1	2.8

■ UK Growth		1 year	3	5	10	Monthly YTD
Impair UK Growth Exempt	1321	2127	-	4.8	0.8	-
J. Barnes PFS State Growth	1004	1808	1968	4302	4.3	1.9
Invest & Mercantile Int'l Growth	1050	1738	2288	-	3.6	1.9
Thames Capital	1081	1677	1816	-	4.0	0.7
Lloyds TSR Environmental Inv	1107	1647	1885	-	3.7	1.0
SECTOR AVERAGE	988	1394	1625	2857	3.9	1.6

■ UK Growth & Income		1 year	3	5	10	Monthly YTD
CF The Ultimo	1181	1750	2114	-	3.7	2.0
Managing Select UK Income	1102	1727	2029	3308	3.7	2.2
Laurence Aven Income & Growth	1065	1682	1815	-	3.7	2.9
Royal & Mercantile Top 100	1102	1650	1715	-	3.9	2.7
HSBC Income Fund	1098	1647	1789	-	4.0	1.7
SECTOR AVERAGE	1028	1445	1644	3088	3.7	2.2

■ UK Smaller Companies		1 year	3	5	10	Monthly YTD
BT UK Smaller Companies Acc	1203	1626	1862	-	4.3	1.2
Henderson Exempt Crystal	1038	1523	1672	-	4.3	1.0
NatWest UK Smaller Cos	884	1488	-	-	-	-
Alternative UK Smaller Companies	953	1477	2045	2399	4.9	1.2
Laurence Aven Smaller Cos	850	1435	2097	-	4.4	1.7
SECTOR AVERAGE	871	1087	1331	1890	4.5	1.9

■ UK Equity Income		1 year	3	5	10	Monthly YTD
EWG UK Equity Income	1082	1687	2088	3591	3.4	3.2
Premier Dividend	1108	1650	1961	2314	3.5	3.5
Jupiter Income	1032	1620	2249	5298	3.1	3.7
Fidelity Income Plus	1060	1608	1688	2582	3.3	4.0
NP Global Corp Income	1088	1558	-	-	3.1	3.1
SECTOR AVERAGE	1013	1425	1587	2940	3.4	3.8

■ UK Equity & Bond Income		1 year	3	5	10	Monthly YTD
Abbey National Extra Income	1050	1557	1694	3544	2.5	4.2
Edinburgh UK Income A	1082	1510	1894	2427	2.8	3.2
CIS UK Income	1065	1504	1622	2174	2.8	3.2
CGU PFT High Yield	1085	1485	1891	2581	2.7	5.3
HSBC High Income	1087	1485	-	-	2.5	5.3
SECTOR AVERAGE	1020	1356	1459	2505	2.8	4.8

■ UK Equity & Bond		1 year	3	5	10	Monthly YTD
Franklin Income & Capital Units	1011	870	727	1657	7.8	-
Stevens & Proper Far East Sm Cos	974	824	580	-	6.1	0.5
ABF Invest Greater China	957	818	735	1948	9.7	-
Royal & Sunlife Far East	978	794	783	1153	6.5	1.2
Old Mutual Hong Kong	762	855	787	3336	10.9	1.7
SECTOR AVERAGE	956	695	691	1492	6.7	0.9

■ Far East exc Japan		1 year	3	5	10	Monthly YTD
HSBC Hong Kong Growth	770	1097	1068	4929	10.0	2.5</

Authorised Investment Funds

• FT Cities Unit Trust Prices are available over the telephone. Call the FT Cities Help Desk on 0-800-277-0700 for more details.

FT MANAGED FUNDS SERVICE

AUTHORISED INVESTMENT FUNDS -

Unit Trusts and OEICs

(Open-ended Investment Companies).

ABM AMRO Fund Managers Ltd (1200MF)

42 Gloucester Road, London SW1E 7RS

0800-076-4000

Admiral Fund Managers Ltd (1200MF)

220 Grosvenor Gardens, London SW1W 0AA

0800-076-4000

American Express Fund Managers Ltd (1200MF)

PO Box 3320, London SW1Y 4JL

0800-076-4000

ABP Scottish Unit Trusts Limited (1000MF)

400 Victoria Street, London SW1V 2RL

0800-076-4000

ABF Scottish Investments Fund

400 Victoria Street, London SW1V 2RL

0800-076-4000

Admiral Fund Managers Ltd (1200MF)

220 Grosvenor Gardens, London SW1W 0AA

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Authorised and Insurance

FT MANAGED FUNDS SERVICE

Offshore Funds and Insurances

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• FT Cityline Unit Trust Prices are available over the telephone. Call the FT Cityline Help Desk on (+44 171) 873 4378 for more details.

Offshore Insurances and Other Funds

LONDON STOCK EXCHANGE

Fear of recession triggers heavy Footsie fall

MARKETS REPORT

By Steve Thompson,
UK Stock Market Editor

The interest rate "feelgood" factor that has stimulated London's stock market in recent sessions all but disappeared yesterday amid growing fears of global recessionary pressures.

A steep decline on Wall Street overnight, early weakness yesterday and growing concerns about Brazil also chipped in to drive London and other European markets sharply lower.

Dealers said the market's reversal had not come out of the blue; rather, as one put it, all the

good news had already been priced into stocks ahead of the domestic interest rate news.

He said there had also been a large and early element of end-year pruning of the stock market, because of the expected sharp contraction in turnover levels in the run-up to the launch of the euro on January 1.

"Talk around the market suggests that there will be a sharp decline in turnover in the run-up to Christmas, much more so than in previous years," said one marketmaker.

Any shrinking in turnover levels will inevitably lead to an increase in volatility in the market with ever-smaller orders pro-

voking increasingly large swings in share prices.

One of the traditional strengths of the London market has been the substantial liquidity available in the front line and most of the second line stocks.

While the *imminence* of the euro's launch was a constant worry, Wall Street was the real threat to confidence. The Dow Jones Industrial Average plunged 167 points overnight, hit by fears of impeachment moves against President Clinton and earnings downgrades. Wall Street came in weak again early yesterday posting a decline of nearly 50 points shortly after London closed.

The FTSE 100, pressured from

the outset, was finally 118.6 lower at 5,541.7, having hit a session low of 5,515.5, down 143, and looking at one point as if it might move below 5,500.

That decline left the index a net 40.2 lower over a week that had brought the expected cut in interest rates, albeit not by as much as the super-optimists had been hoping for, and the much-heralded merger move for Zeneca, which announced a link with Sweden's Astra.

Second-line stocks were also buffeted. The FTSE 250 closed 43.1 off at 4,736.8, leaving it 13.8 over the week. Sentiment was damaged by a strong performance by sterling that saw the

trade-weighted index move back above the 100 level to finish 0.6 higher at 100.4.

The FTSE SmallCap index closed 8.1 lower at 2,012.6, pushing the index into a deficit of 5.8 over the five-day period.

Cadbury Schweppes was easily the best performer among a small band of FTSE 100 winners, as the shares raced up in the wake of the sale of its non-US soft drink brands to Coca-Cola.

Bid talk persisted, with the market reacting quickly to rumours that a 325p-a-share bid for Sears, the high street retailing group, would be made next week. Turnover in equities was 933.3m shares.

TRADING VOLUME IN MAJOR STOCKS

	Vol. 000s	Closing Days ago	Vol. 000s	Closing Days ago
FTSE 100	5,541.7	12/12	5,515.5	12/11
FTSE 250	4,736.8	12/12	4,703.7	12/11
FTSE 350	2,012.6	12/12	2,004.5	12/11
FTSE 500	1,042.5	12/12	1,030.0	12/11
FTSE 600	1,200.0	12/12	1,190.0	12/11
FTSE All-Share	1,000.0	12/12	990.0	12/11
FTSE SmallCap	2,012.6	12/12	2,004.5	12/11
FTSE 1000	2,496.0	12/12	2,486.0	12/11
FTSE 2000	2,500.0	12/12	2,490.0	12/11
FTSE 3000	2,500.0	12/12	2,490.0	12/11
FTSE 4000	2,500.0	12/12	2,490.0	12/11
FTSE 5000	2,500.0	12/12	2,490.0	12/11
FTSE 6000	2,500.0	12/12	2,490.0	12/11
FTSE 7000	2,500.0	12/12	2,490.0	12/11
FTSE 8000	2,500.0	12/12	2,490.0	12/11
FTSE 9000	2,500.0	12/12	2,490.0	12/11
FTSE 10000	2,500.0	12/12	2,490.0	12/11
FTSE 12000	2,500.0	12/12	2,490.0	12/11
FTSE 14000	2,500.0	12/12	2,490.0	12/11
FTSE 16000	2,500.0	12/12	2,490.0	12/11
FTSE 18000	2,500.0	12/12	2,490.0	12/11
FTSE 20000	2,500.0	12/12	2,490.0	12/11
FTSE 22000	2,500.0	12/12	2,490.0	12/11
FTSE 24000	2,500.0	12/12	2,490.0	12/11
FTSE 26000	2,500.0	12/12	2,490.0	12/11
FTSE 28000	2,500.0	12/12	2,490.0	12/11
FTSE 30000	2,500.0	12/12	2,490.0	12/11
FTSE 32000	2,500.0	12/12	2,490.0	12/11
FTSE 34000	2,500.0	12/12	2,490.0	12/11
FTSE 36000	2,500.0	12/12	2,490.0	12/11
FTSE 38000	2,500.0	12/12	2,490.0	12/11
FTSE 40000	2,500.0	12/12	2,490.0	12/11
FTSE 42000	2,500.0	12/12	2,490.0	12/11
FTSE 44000	2,500.0	12/12	2,490.0	12/11
FTSE 46000	2,500.0	12/12	2,490.0	12/11
FTSE 48000	2,500.0	12/12	2,490.0	12/11
FTSE 50000	2,500.0	12/12	2,490.0	12/11
FTSE 52000	2,500.0	12/12	2,490.0	12/11
FTSE 54000	2,500.0	12/12	2,490.0	12/11
FTSE 56000	2,500.0	12/12	2,490.0	12/11
FTSE 58000	2,500.0	12/12	2,490.0	12/11
FTSE 60000	2,500.0	12/12	2,490.0	12/11
FTSE 62000	2,500.0	12/12	2,490.0	12/11
FTSE 64000	2,500.0	12/12	2,490.0	12/11
FTSE 66000	2,500.0	12/12	2,490.0	12/11
FTSE 68000	2,500.0	12/12	2,490.0	12/11
FTSE 70000	2,500.0	12/12	2,490.0	12/11
FTSE 72000	2,500.0	12/12	2,490.0	12/11
FTSE 74000	2,500.0	12/12	2,490.0	12/11
FTSE 76000	2,500.0	12/12	2,490.0	12/11
FTSE 78000	2,500.0	12/12	2,490.0	12/11
FTSE 80000	2,500.0	12/12	2,490.0	12/11
FTSE 82000	2,500.0	12/12	2,490.0	12/11
FTSE 84000	2,500.0	12/12	2,490.0	12/11
FTSE 86000	2,500.0	12/12	2,490.0	12/11
FTSE 88000	2,500.0	12/12	2,490.0	12/11
FTSE 90000	2,500.0	12/12	2,490.0	12/11
FTSE 92000	2,500.0	12/12	2,490.0	12/11
FTSE 94000	2,500.0	12/12	2,490.0	12/11
FTSE 96000	2,500.0	12/12	2,490.0	12/11
FTSE 98000	2,500.0	12/12	2,490.0	12/11
FTSE 100000	2,500.0	12/12	2,490.0	12/11
FTSE 120000	2,500.0	12/12	2,490.0	12/11
FTSE 140000	2,500.0	12/12	2,490.0	12/11
FTSE 160000	2,500.0	12/12	2,490.0	12/11
FTSE 180000	2,500.0	12/12	2,490.0	12/11
FTSE 200000	2,500.0	12/12	2,490.0	12/11
FTSE 220000	2,500.0	12/12	2,490.0	12/11
FTSE 240000	2,500.0	12/12	2,490.0	12/11
FTSE 260000	2,500.0	12/12	2,490.0	12/11
FTSE 280000	2,500.0	12/12	2,490.0	12/11
FTSE 300000	2,500.0	12/12	2,490.0	12/11
FTSE 320000	2,500.0	12/12	2,490.0	12/11
FTSE 340000	2,500.0	12/12	2,490.0	12/11
FTSE 360000	2,500.0	12/12	2,490.0	12/11
FTSE 380000	2,500.0	12/12	2,490.0	12/11
FTSE 400000	2,500.0	12/12	2,490.0	12/11
FTSE 420000	2,500.0	12/12	2,490.0	12/11
FTSE 440000	2,500.0	12/12	2,490.0	12/11
FTSE 460000	2,500.0	12/12	2,490.0	12/11
FTSE 480000	2,500.0	12/12	2,490.0	12/11
FTSE 500000	2,500.0	12/12	2,490.0	12/11
FTSE 520000	2,500.0	12/12	2,490.0	12/11
FTSE 540000	2,500.0	12/12	2,490.0	12/11
FTSE 560000	2,500.0	12/12	2,490.0	12/11
FTSE 580000	2,500.0	12/12	2,490.0	12/11
FTSE 600000	2,500.0	12/12	2,490.0	12/11
FTSE 620000	2,500.0	12/12	2,490.0	12/11
FTSE 640000	2,500.0	12/12	2,490.0	12/11
FTSE 660000	2,500.0	12/12	2,490.0	12/11
FTSE 680000	2,500.0	12/12	2,490.0	12/11
FTSE 700000	2,500.0	12/12	2,490.0	12/11
FTSE 720000	2,500.0	12/12	2,490.0	12/11
FTSE 740000	2,500.0	12/12	2,490.0	12/11
FTSE 760000	2,500.0	12/12	2,490.0	12/11
FTSE 780000	2,500.0	12/12	2,490.0	12/11
FTSE 800000	2,500.0	12/12	2,490.0	12/11
FTSE 820000	2,500.0</			

LONDON SHARE SERVICE

LONDON SHARE SERVICE

هذه أمن الأهل

WORLD STOCK MARKETS

Highs & Lows shown on a 52 week basis

INDICES

INDEX FUTURES

High-leeches
buyers
falls

卷之三

and the other two were in the same condition as the first.

وَمِنْهُمْ مَنْ يَرْجُو أَنْ يُنْهَا إِلَيْهِ الْأَنْوَارُ فَلَا يُنْهَا إِلَيْهِ وَلَا يَرْجِعُ إِلَيْهِ وَلَا يَرْجِعُ إِلَيْهِ مَنْ أَنْهَا إِلَيْهِ إِلَّا مَنْ أَنْهَا إِلَيْهِ

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WORLD STOCK MARKETS

High-techs lure buyers as Dow falls

AMERICAS

US high-tech shares outperformed the broader market in early trading as blue chips continued to weaken and the Dow Jones Industrial Average dipped below 8,800, writes John Lippman in New York.

By midday the Dow was down 42.74 to 8,756.84, while the broader Standard & Poor's 500 index was off 2.48 at 1,162.58.

Those investors who were buying put their money behind computer-related shares. Software, semiconductor chip and internet companies pushed higher with the Nasdaq composite index, which is weighted in high-techs, gaining 10.42 to 2,025.38.

The broader market, though, reacted negatively to the most recent batch of earnings warnings and results.

Coca-Cola, a Dow stock, was down \$2.4 to \$83.28 after the company guided analyst estimates lower for its fourth-quarter earnings.

Oracle, the second largest software company, gained more than 7 per cent or \$24 to \$37.4 after the company reported a sharp rise in quarterly earnings late on Thursday. Also helping take the stock higher was a rise in earnings estimates by some analysts.

AMR, parent company of American Airlines, tumbled 6 per cent to \$68.64 after Gold-

man Sachs cut its 1998 earnings estimates.

US Treasury prices were lower after the release of stronger-than-expected retail sales figures. The 30-year bond was down 4/4 to 1044, yielding 4.971 per cent.

Internet advertising company Doubleclick shot up 8 per cent to 3374 after the company announced a secondary stock offering.

Electronic Data Systems gained 4.8 per cent to 942 after BT Alex Brown upgraded the shares to "buy" one day after the company said it would have a new chairman and chief executive.

TORONTO was weak at mid-session in a market made increasingly cautious by Thursday's profit warnings. The TSE-300 composite index was 38.15 lower at 5,277.50 in volume of almost 32m shares.

Gold issues were weak in response to falling bullion. Placer Dome fell C\$1.05 to C\$21.80 and Barrick Gold was C\$1.20 lower at C\$29.

Banks were carefully scrutinised as the market awaited two reports, expected later in the session, that could determine the fate of mergers within the sector.

Bank of Montreal rose C\$1 to C\$63.80, Royal Bank of Canada eased 10 cents to C\$73.80, Canadian Imperial Bank of Commerce edged 5 cents higher to C\$34.40 and Toronto-Dominion picked up 10 cents to C\$60.35.

Caracas slips further after post-poll rally

CARACAS continued to pull back after its soaring performance earlier in the week. By mid-session, the IBC index was 402.94 or 7.8 per cent lower at 4,785.88.

SAO PAULO was sharply lower at midday, tracking overseas markets. The Bovespa index stood 389 or 3.7 lower at 10,250.

MEXICO CITY reversed an

early downward trend in mid-morning trade as investors gained confidence that a solution to a controversial bank bailout debate might be imminent.

The IPC index was 57.37 or 1.6 per cent higher by mid-session at 3,856.24. Traders said the market was running with rumours about the Fobaprofa bailout fund.

Furthermore, as in New York, Tokyo was shaken by

Dax stumbles under pressure from Wall St

EUROPE

A weak dollar and pressure from early trading on Wall Street sent FRANKFURT to a six-week low. The Xetra Dax index lost 107.23 to 4,543.02, extending its loss over the week to 4.9 per cent.

The weak dollar hit Lufthansa, down DM2.27 or 6.4 per cent at DM33.21, after Thursday's sharp run-up.

Currency considerations also worked against the carmakers. BMW lost DM2 to DM1.045 as the company denied rumours that it planned some form of link with Ford. DaimlerChrysler was DM4.40 lower at DM147.60 and Volkswagen gave up DM4.65 at DM112.25.

Schering, another 30 pcf higher at DM213.45, continued to outperform the chemicals sector. After the Zeneca/Astra link-up, the group is seen as another prime merger candidate.

Hoechst remained weak at mid-session in a market made increasingly cautious by Thursday's profit warnings. The TSE-300 composite index was 38.15 lower at 5,277.50 in volume of almost 32m shares.

Gold issues were weak in response to falling bullion. Placer Dome fell C\$1.05 to C\$21.80 and Barrick Gold was C\$1.20 lower at C\$29.

Banks were carefully scrutinised as the market awaited two reports, expected later in the session, that could determine the fate of mergers within the sector.

The benchmark Nikkei-225 Average fell to a low of

14,222.06 before closing at 14,085.84, down 402.16. The high during the day was 14,798.98.

Activity was affected by the fall on Wall Street, but investors were also disappointed by media reports that the ruling Liberal Democratic party was considering tax changes that would, in effect, raise taxes for 80 per cent of the population.

Brokers said sentiment

was hit by the overnight slide in New York plus further weakness for the US

dollar, to which the Hong Kong currency is pegged.

SYDNEY ran up against weak commodity prices which sparked determined profit-taking. The All Resources index fell 3.3 per cent and at the close the All Ordinaries index was off 0.12 per cent at 2,730.00.

KUALA LUMPUR was higher on news that Mahathir Mohamad, the prime minister, had told foreign fund managers his government was willing to consider softening capital controls.

The composite index

gained 8.30 or 1.6 per cent to

12,444.55 before closing at 12,402.16.

JOHANNESBURG was weak in slow trade, unsettled by profit warnings.

The overall index lost 36.0 to 5,215.4, industrials eased 32.4 to 4,376.4 while golds tumbled 13.7 to 935.4 under the strain of a falling bullion price.

Steel producer Iscor lost

R0.08 to a low for the year

on concern over the outlook for steel prices.

The London Stock Exchange - Dealing

Details of business deals shown below have been taken from last Thursday's Stock Exchange Circular and should not be regarded as definitive.

The data is drawn by Euroclear from the latest information.

Data relate to those securities not included in the FT Share Information Service. The prices are those at which the business was done in the 24 hours up to 5.15pm on Thursday, the latest recorded. These securities in which no business was recorded in Thursday's Circular, the most recent, record business in the four previous days is given with the relevant date. The size of individual deals are rounded to the nearest thousand and represented with three place numbers, where available. Bargains at special prices. * denotes since the previous day.

2004 (Fwd) - 191.8 (2004)

European Investment Fund - 59.4 (2003)

Ireland (Rep of) - 141.6 Ln Br 2016 - 105.1 (2003)

International Bank for Res & Dev Ctry Ltr Br 2016 - 105.1 (2003)

Investment Fund - 141.6 Ln Br 2000 - 108.0 (2004)

Listed Companies (Excluding Investment Trusts) -

Abbey National PLC 104.5 Non-Cust Big Pfd Shs 1 - 91 (2003)

Abbey National PLC 104.5 Non-Cust Big Pfd Shs 1 - 91 (2003)

Abbey Group PLC 7.6% Ctry Ltr Br 140 - 140 (2003)

Abbey Group PLC 7.6% Ctry Ltr Br 140 - 140 (2003)

Abbey Investments Plc Ltd 60 100 (2002)

Abbey Investments Plc Ltd 75 100 (2002)

COMPANIES & FINANCE

NEWS DIGEST

MEDIA

United News & Media shares dip on warning

Shares in United News & Media, the publishing and broadcasting group, closed 12p down at 511p after it said that weakness in advertising revenue was affecting business in its Miller Freeman magazines and exhibitions arm. Analysts cut forecasts for United's pre-tax profits for the year by between 3 and 4 per cent after the statement. WestLB Pannier cut 1998 forecasts, excluding Channel 5 losses and Garbari, to £275m from £290m.

However, the group emphasised that it would seek further acquisitions during the coming year, as well as investing in new product launches, following the £450m sale of its regional newspaper division earlier in the year.

It intended to continue consolidating existing market positions "and to extend its brands by market and geography as suitable acquisition opportunities arise". It had "substantial financial resources" at its disposal. Stiff competition for media properties in the past year is thought to have deterred United from making large acquisitions. However, directors believe the downturn in some markets means it may be able to acquire assets more cheaply.

The expectation that United will be affected by a similar weakness in revenues to Reed Elsevier's business information division had already caused a 22 per cent fall in United's shares over the past three weeks.

It confirmed that it intended to accept the terms offered by the Independent Television Commission for renewing its Meridian ITV licence. This was despite the ITC renewal figures being "at the lower end of our expectations".

United emphasised that its business exhibitions arm had been "resilient" despite the Asian economic crisis, and said there was a levelling of demand for advertising in trade publications for some industries.

Garbari, the group's former money broking arm, has been demerged after an extraordinary general meeting on November 16, and one-off costs from the demerger are to be treated as an exceptional item in the 1998 accounts. John Gapper

CHEMICALS

BOC in disposal talks

BOC Coating Technology, part of the BOC Group, is in talks that may result in the sale of the business to Leybold Systems, a wholly-owned subsidiary of Blazera and Leybold Deutschland Holding, part of Zurich-based Oerlikon-Bührle Holding.

California-based BOC Coating employs 165 people and has net assets of about £16m. BOC shares fell 13½p to 85p.

Meanwhile, Roger Stoll, who left the group in April after it sold its Ohmeda healthcare business, is to receive a pay-off of up to £1.83m, bringing his potential remuneration for the year to £2.17m (£359,000).

BOC says in its annual report that Mr Stoll's termination agreement allows for the payment of salary for two years or up to the time he obtains new employment. He has also been paid an incentive payment of £1.01m following the sale of Ohmeda - of which he was chief executive - for £640m.

INSURANCE

NPI receives four bid offers

The bidding for NPI, the mutual life insurer, moved into its final stages yesterday when four companies submitted final offers, ahead of an NPI board meeting on Monday. The four bidders are CGU, the newly-merged composite insurer; AMP of Australia; Swiss Life; and Britannia, the door-to-door sales specialist. NPI is expected to name its preferred bidder before Christmas. Analysts put a price tag of £1bn to £2bn on the deal, and say NPI's 600,000 policyholders can expect windfalls worth an average of at least £1,000. Christopher Brown-Humes

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City looks to Shell 'chief of staff' to lead from the front

The Anglo-Dutch combine needs Mark Moody-Stuart, chairman, to stamp his authority on the group, says Robert Corzine

On Monday afternoon Mark Moody-Stuart, chairman of Royal Dutch/Shell, the Anglo-Dutch energy group, will walk into the City's equivalent of a lion's den, when he faces oil analysts in what many expect will be a confrontation.

"There is serious disaffection with the company," said one leading analyst this week in summing up the City's attitude towards the group.

The source of the frustration is Shell's share price. Since the beginning of the year shares in Shell Transport & Trading, the London-based arm of the group, have fallen 20 per cent, while those of Exxon and British Petroleum, its arch-rivals in the super league of big oil companies, are up 21 per cent and 7.6 per cent respectively. More than 25.5m have been wiped off Shell's market capitalisation since Mr Moody-Stuart took over the top post in July.

Analysts will be looking to Mr Moody-Stuart for both hard numbers and direction. They not only want details of Shell's new performance

targets, they also want to know how senior management intends to achieve them. But they need to be convinced first that there are no structural flaws in the way Shell is managed and that might prevent those targets being reached.

This week it became clear that Shell was ready to dilute its long-standing collegiate management structure in the first high-level shake-up in nearly half a century.

On Thursday Shell announced that divisional chief executives had been appointed in the two most important business areas, upstream exploration and production, and downstream refining and marketing. The move means all five of Shell's main businesses are led by chief executives.

The centrepiece of the reform is expected to be a gradual transition by Mr Moody-Stuart from being the "first among equals" chairman of a five-member collegiate board, to being a true chief executive, with more direct control over the group's capital allocation.

The issue was last raised

in 1988 when McKinsey, the management consultants, recommended that the parent companies should share

targets, this would speed up decision making and reduce the number of decisions that are subject to group review.

In a style befitting a 100-year-old corporate culture that prizes continuity and tradition, the shift in Mr Moody-Stuart's role is likely to "emerge" rather than be formally announced.

That reflects in part what one person close to the company described as "residual" internal opposition to radical change in Shell's consensual management machinery.

The "emotional baggage"

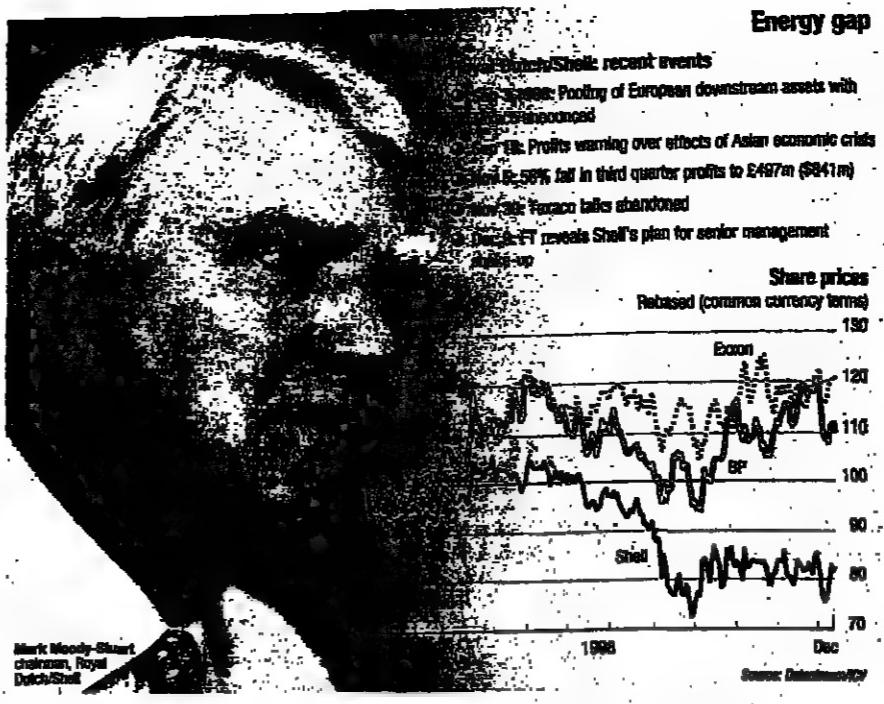
surrounding the consensual system is said to be especially strong in the Netherlands.

There is also a desire to avoid a move that might be interpreted within the group as a full rejection of the past.

Shell has historically shied away from a strong chief executive, partly because there has been a perceived need within the group to balance Dutch and British interests.

One chairman and one chief executive. The American-style structure was rejected, with John Louden, then chairman of Royal Dutch, remarking: "The American system is different."

But will such changes impress the analysts? Some,



Mark Moody-Stuart, chairman, Royal Dutch/Shell

after all, have argued for more radical action.

Fergus Macleod, at BT, Alex Brown in Edinburgh, says it is time that Shell "had a control freak" at the top to drive through radical change, which he argues should include the unification of the two companies.

Other analysts are also keen to see more personal accountability for Shell's financial performance. Alan Marshall, at Robert Fleming in London, says the management team is "the least identifiable in the business".

US charities to receive £20m from AMV deal

By Jonathan Ford

A group of US charities stands to receive £20m as a result of the acquisition of Abbott Mead Vickers, the quoted advertising agency, by Omnicom, the US marketing services group.

Omnicom, said yesterday it would pay £245m in shares for AMV, with which it has had a close relationship since 1991.

AMV is one of the UK's leading agencies, and is

famous for its campaigns for Yellow Pages, Volvo and J Sainsbury. It introduced Henry Kissinger to the world of advertising by persuading the former US secretary of state to appear in advertisements for the Economist.

The charities, which have not been named, stand to benefit from a scheme designed to avoid Omnicom creating substantial amounts of goodwill from the deal.

AMV has net assets of just

£43.9m, so goodwill could have amounted to more than £200m. Under US accounting rules, this would have had to be written off annually, depressing Omnicom's earnings.

Omnicom has structured the deal as a "pooling of interests" to avoid goodwill meaning it will be reflected through a scheme of arrangement rather than a traditional takeover bid.

In order for the deal to qualify as a pooling transaction,

Omnicom reduced its stake in AMV from 27.7 per cent to below 10 per cent. It sold a 20 per cent stake at £20p a share to three charitable trusts established for the purpose.

If the deal goes through, the trusts will realise a profit of £20m which will be donated to the charities.

Under the deal, Omnicom is offering 0.137 of its shares for each AMV share. Omnicom shares were trading at £85.1m following the

announcement, valuing each AMV share at 44p and the whole group at £243.2m.

This represents a premium of 23 per cent to AMV's closing price of £80p on November 26, the last trading day before the announcement of the deal.

If the deal goes through, the trusts will realise a profit of £20m which will be donated to the charities.

Under the deal, Omnicom is offering 0.137 of its shares for each AMV share. Omnicom shares were trading at £85.1m following the

UK this year. In January it paid £145m for GGT, another advertising agency.

"Omnicom is basically just filling a gap in its global network," said an analyst.

Two of the agency's founders, Peter Mead, chairman, and Adrian Vickers, vice chairman, stand to realise £7m between them from their personal holdings.

AMV is advised by SG Hambros and Omnicom by Morgan Stanley.

Lonrho Africa board wins backing

By Charles Peticak

The ghosts of Tiny Rowland asserted itself yesterday when shareholders of Lonrho Africa voted to back the board and block an attempt by rebel shareholders to oust three directors.

Blakeney Management, the emerging market fund manager which controls 10.1 per cent of Lonrho Africa, had attempted to replace three of the group's non-executive directors, including Bernard Asher, chairman, with John Jackson, chairman of Ladbrokes, the leisure group. Unusually, Lonrho Africa employed a company to solicit the support of individual shareholders by telephone.

Since being spun off from Lonrho, the conglomerate founded and run by the late Mr Rowland, in May at 50p a share, Lonrho Africa shares have performed poorly,

reaching as low as 42p. Yesterday they lost 4p to 51p with analysts suggesting the group, with African interests ranging from hotels to pig farms, was now vulnerable to a takeover.

All the resolutions proposed by Blakeney were narrowly defeated with 53 per cent of votes cast against replacing Mr Asher with John Jackson, chairman of Ladbrokes, the leisure group.

Before the meeting one septuagenarian shareholder who had held Lonrho shares for more than 28 years, confided: "I'm going to vote the way Tiny would want."

Yet, another shareholder believed Mr Rowland, who ran Lonrho for 34 years but died in July, would have backed Miles Morland, chairman of Blakeney. "Tiny always liked people with guts," he said.

The vote took place at an extraordinary meeting in the Barbican Hall in the City. The meeting was packed

with some of the 33,000 private shareholders who were fiercely loyal to Mr Rowland.

Many had held the stock for over three decades and at least one reached for a magnifying glass to read his ballot form at the end of a meeting.

The result was delayed until yesterday.

Mr Morland said he was disappointed with the result but added: "We're active investors; we'll keep banging on the door." He said Blakeney was a "long-term" and "committed" shareholder.

Mr Morland had called for Lonrho Africa to sell some of its disparate businesses, which include agriculture, hotels and car dealerships in 14 African countries.

range of products, and gain cheaper access to funds.

He also pointed to intensifying competition in the financial services industry as a reason to abandon independence.

A number of members

expressed concern over the outlook for staff jobs and branches.

But Mr Leighfield said Midshires would retain its brand, branches and management structure for at least three years, and there would be no compulsory redundancies.

In both cases, the votes comfortably exceeded the minimum levels required.

The result brings closer windfalls averaging more than £750 for nearly 1m Midshires members.

Long-standing savers will receive an average of £1,250 in cash, while borrowers and savers of less than two years standing will get 400 preference shares worth about £400.

The sports media, marketing and outdoor advertising concern has also bought 50 per cent of Boyt China, a recent start-up operation with rights to locations in the Chinese and Asian outdoor market.

Total consideration is £83.4m (£11.7m) comprising £82.9m in cash, 2.9m SOMI shares and a 12 month deferred payment of £4.4m. The initial cash payment will be funded through loans of £62.1m and from existing SOMI cash resources of £11.1m.

SOMI also announced that John Beckwith, currently a non-executive director, has become non-executive chairman. Graeme Boyer, the existing chairman, will remain an executive director.

Another said the local touch would be replaced by "faceless Yorkshires".

The acquisition must still be approved by the Building Societies Commission.

Subject to this, the transfer in ownership will take place on April 19 next year, with members receiving their cash and share entitlements before May 17.

Strong backing by Midshires for Halifax purchase

By Christopher Brown-Humes
in Birmingham

Members of Birmingham Midshires, the UK's fourth biggest building society, yesterday overwhelmingly backed its purchase by Halifax for £760m.

Some 560,000 of 750,000 eligible savers voted, with 525,000 supporting the takeover and the loss of mutual status.

More than 50,000 of the 63,000 borrowers who voted also backed the plan.

In both cases, the votes comfortably exceeded the minimum levels

the front

COMPANIES & FINANCE

Lack of interest hits Brazil telecoms saleBy John Barham
in São Paulo

Lack of interest in new round of Brazilian telephone privatisations by local and international investors yesterday came as a serious setback to the government, which had earlier said it was expecting bids from six groups of investors.

Only three groups yesterday filed documentation to bid at an auction in January for the right to set up four "mirror" companies to compete with four existing private

tised networks.

Furthermore, the National Telecommunications Agency, the regulator, was reported to have suspended the auction for two of the areas because of lack of interest.

This is in contrast to the sale in July of the government's stake in the existing telephone system, which raised R\$22.06bn (\$14.5bn), 62 per cent above the minimum price. It now looks almost certain that the government will raise little more than the minimum price of

R\$2.20bn for the four new

Analysts say companies were deterred by high interest rates, concerns over Brazil's economic stability and the fall-out from a scandal surrounding the July privatisation.

The telecommunications minister was forced to resign this month, accused of favouring one of the bidders with state financing. BNDES, the national development bank, implicated in the scandal, said it would not finance the acquisition

of telecoms networks, restricting its support only to the investment phase.

Rewan Ali, Latin American telecoms analyst at Bear Stearns, the New York investment bank, added:

"Apart from the US companies and some locals, almost everyone who wanted to be in Brazil is there already."

The three groups that plan to enter the bidding include a consortium led by Bell Canada and Qualcomm; a group comprising Sprint, France Telecom and Energis, the telecoms subsidiary of

the UK's National Grid. Splice, a Brazilian operator and maker of telecoms equipment is a solitary third contender.

Sprint, Energis and France Telecom plan to bid for a long distance and international operator to compete with Embratel, bought in July by MCiWorldcom. Bell

Canada says it will enter an "aggressive" bid for the new territory to cover the north and east of Brazil, a territory that includes Rio de Janeiro. Splice is also bidding for the same region.

• Brazil's securities watchdog has ordered the cancellation of a public offer to buy preferred stock held by minority shareholders in Lojas Renner, a department store acquired on Tuesday by JC Penney.

The São Paulo stock exchange, whose president holds 10 per cent of Lojas Renner's voting stock, had ordered Penney to divulge the price it paid for 63 per cent of Lojas Renner's voting stock and to announce its plans for the same region.

Tokyo set to rescue bank

By Gillian Tett in Tokyo

The Japanese government last night appeared close to stepping in to rescue the ailing Nippon Credit Bank.

Reports were circulating in Tokyo that the government would soon decide the bank insolvent and that the ruling Liberal Democratic Party was considering placing the bank under state control.

However, NCB insisted that it had not yet received formal instructions from the government and that it was in a healthy financial state. The Financial Supervisory Agency, Japan's banking watchdog, and Bank of Japan, the central bank, both said they were unaware of any concrete nationalisation plans.

The fate of NCB has triggered battles between financial bureaucrats and politicians. In particular, the FSA recently completed an inspection of NCB that highlighted the scale of NCB's problems and convinced the government that the bank would need to be reformed soon.

Some government officials had initially hoped NCB could be rescued by Chuo Trust, another large bank.

Similar structures are likely to be adopted in France and Germany. However, Universal's rationalisation plans have yet to be submitted to a European Union Works Council.

the LDP have demanded an alternative solution to NCB's problems. One government official said: "We are waiting to see what NCB will do. But there is not a lot of time."

The position of NCB has attracted growing attention because the government is stepping up its attempts to reform the country's banking sector. Two months ago, the government earmarked Y17,000bn (\$145bn) of funds for the nationalisation of weak banks, as part of a broader Y60,000bn support package for the financial sector.

As part of this process, LTCB yesterday submitted a restructuring plan that envisaged a staff cut from 3,500 to 2,500, and over 200 outlets closed.

NCB insists that its financial position is strong. However, it has admitted that it expects to hold Y300bn worth of bad or potentially problematic loans by March.

Although NCB's net worth was Y477bn at the end of September, it had Y270bn worth of latent losses on its equity portfolio, and Y877bn in potential loan losses which the bank plans to dispose of in the second half of fiscal 1998.

NCB's share price yesterday closed at Y88, Y6 down on the day, before the media reports emerged.

Matif pushes for derivatives linkBy Vincent Boland in London
and Paul Battie in Milan

Matif, the Paris derivatives market, is close to agreeing a link-up with the Chicago Mercantile Exchange and the Singapore International Monetary Exchange to create a new futures and options market alliance. The deal would bolster French attempts to capture more derivatives business from Eurex, the dominant European exchange.

The alliance, which could be unveiled before Christmas, would allow for 24-hour trading in contracts based on eurobar, the reference rate for interbank lending in the euro.

Speculation over an agreement linking Matif, the CME and SimeX intensified yesterday after the Paris market signed a preliminary agreement with MIF, the Milan derivatives market, and IMEx, its Spanish counterpart, to launch the EuroGlobe fixed income derivatives market.

The EuroGlobe network was set up in June to link the Paris and Madrid futures markets in an attempt to create a rival European alliance to Eurex, which links the German and Swiss futures markets.

Plans by Eurex and the

Chicago Board of Trade, the world's biggest derivatives market, to link their exchanges suffered a severe blow this week when CBOT members elected a chairman hostile to the proposal which would have created a joint electronic trading system and posed a threat to the Chicago market's traditional floor trading.

Eurex had sought to attract MIF to its venture in an effort to create a pan-European derivatives market. However, the Italian exchange opted for the Franco-Spanish alternative because of technical problems with Eurex and the German-Swiss venture's efforts to impose its electronic technology on future partners.

Apart from enlisting Milan, the new network is expected to expand next year to the equity and index derivatives markets of Italy, Spain and France.

Stefano Preda, chairman of the Italian stock exchange, confirmed Milan's interest in joining the Anglo-German efforts to set up a integrated pan-European blue chip equity cash market.

He said the derivatives partnership with Paris and Madrid would be based on a network approach.

Seagram, the Canadian entertainment and drinks group, will next week unveil proposals to cut hundreds of music jobs in the UK, France and Germany by merging its Universal Music subsidiaries with those of the newly acquired PolyGram group.

The restructuring in Europe's three biggest music markets, which will involve dropping some recording artists and selling properties, will mark the first stage of the merger of PolyGram and Universal's record companies and music publishing interests outside North America.

Seagram expects to shed roughly 3,000 of its 16,500-strong music workforce by

next summer in an attempt to reduce annual costs by \$300m. The savings will come equally between North America and elsewhere, according to Jorgen Larsen, chairman of Universal Music International (UMI).

It is expected that 2,000 of the job losses will be in North America, where Universal and PolyGram's distribution networks will be combined. Some 1,000 jobs will go from the 8,500-strong workforce outside North America, where Universal now sub-contracts distribution to Bertelsmann, the German media group. From March, its products will be distributed by the PolyGram network which should save \$50m a year.

PolyGram and Universal's

structure as North America, where Universal and PolyGram's labels are to be reorganised into four groups. The exception is Japan, where Universal has three years to run on a joint venture.

In the UK, Universal is likely to be divided into three groups of labels.

The old UMI headquarters in London's Soho will be closed as will several other buildings. Mr Larsen and the new UMI team will move to PolyGram's former corporate headquarters in Piccadilly.

Similar label structures are likely to be adopted in France and Germany. However, Universal's rationalisation plans have yet to be submitted to a European Union Works Council.

Workers pose threat to Korean chip merger

By John Burton in Seoul

Resistance in South Korea to reforms promised by big conglomerates increased yesterday as workers staged protests. As a result, a proposed merger between semiconductor companies appeared to be collapsing.

Mr Lee Sun-jae, who heads the state agency supervising corporate restructuring, said a merger between LG Semicon and Hyundai Electronics

to create the world's second biggest maker of memory chips was "in trouble" despite their promise to conclude negotiations in two weeks.

Mr Lee accused LG Semicon of being unco-operative in supplying data to the consultancy Arthur D Little, which has been appointed to determine whether LG or Hyundai would have majority control of the new company.

He warned that creditor banks would cut lending to either company if they resisted the merger. Both LG Semicon and Hyundai Electronics have large debts and could face bankruptcy if credit is squeezed.

The government wants the merger to reduce excess capacity - blamed for a dip in the global prices of memory chips.

Meanwhile, workers at Daewoo Electronics walked

out in protest against the swap of the consumer electronics company for Samsung Motors. The Daewoo Electronics president also opposed the deal, which union leaders say would result in job losses once the company is consolidated with the bigger Samsung Electronics.

The Samsung/Daewoo and LG/Hyundai deals are the centrepiece of government plans to force the conglomera-

Korea's main mobile phone operator.

Foreign funds this year succeeded in placing representatives on the board of SK Telecom despite opposition from the SK Group.

Foreign investors accused SK of using the telecom unit to subsidise weak businesses in the group and hoped to increase their influence over SK Telecom with the planned rise in the foreign shareholding limit.

FT/S&P ACTUARIES WORLD INDICES

Country, area, and regional markets	TUESDAY DECEMBER 15 1998				WEDNESDAY DECEMBER 16 1998				DOLLAR INDEX				
	US	Days	Percent	Change	Local	US	Days	Percent	Local	US	Days	Percent	
Index	%				Index	%			Index	%			
America (78)	197.91	-1.6	178.23	146.88	170.95	212.36	0.5	149.81	175.15	145.81	211.36	193.95	
Austria (22)	106.73	0.1	105.43	150.42	101.00	103.98	-0.4	2.17	105.54	105.82	101.83	103.75	105.45
Bulgaria (3)	327.87	-0.3	345.54	207.72	334.95	327.51	-0.7	2.08	345.71	247.47	327.15	329.94	254.54
Brazil (32)	146.72	0.0	140.71	180.77	125.51	149.75	0.2	2.78	145.68	131.18	108.18	127.17	122.85
Canada (119)	122.48	-1.0	117.48	142.27	146.07	124.87	-1.7	1.60	145.67	169.89	145.67	172.34	151.80
Denmark (24)	162.18	-0.4	161.78	142.88	160.72	167.25	0.4	1.77	161.78	167.73	165.82	167.01	162.15
Finland (28)	151.54	-0.1	149.85	145.82	150.72	151.54	0.0	1.26	151.54	151.54	151.54	151.54	151.54
France (75)	321.55	-0.1	320.55	222.09	321.55	321.55	-0.1	2.28	314.51	261.27	324.16	272.72	255.34
Greece (26)	321.56	-0.1	320.55	222.09	321.56	321.56	-0.1	2.28	321.56	224.88	321.56	225.34	226.00
Hong Kong, China (67)	315.34	0.3	320.54	223.71	317.97	313.90	-0.2	4.13	314.74	261.47	324.32	272.58	255.87
Indonesia (28)	324.43	-0.2	324.78	47.00	324.50	46.10	-0.2	1.25	324.50	47.00	324.50	47.00	45.94
Ireland (16)	161.28	-0.1	161.78	160.00	162.24	162.24	-0.1	1.26	161.28	162.24	162.24	162.24	162.24
Italy (53)	164.56	-0.2	163.72	122.59	142.32	202.14	-0.1	1.26	164.56	145.65	122.35	162.35	116.85
Japan (44)	701.80	-0.2	701.80	75.47	701.80	75.47	-0.2	1.26	701.80	75.47	701.80	75.47	701.75
Mexico (29)	102.50	-0.2	102.50	102.50	102.50	102.50	-0.2	1.26	102.50	102.50	102.50	102.50	102.50
New Zealand (19)	34.70	-0.7	35.73	10.73	37.15	35.77	-1.7	1.25	35.73	10.73	35.77	10.73	



Goya in Lille

'However beautiful or interesting his women, it is as a painter of men that he is all but unequalled'

Page VII



Bold and beaded

'Parties are fun, or at least they are supposed to be; so are beaded dresses. Let's dress accordingly.'

Page XI



Jancis Robinson makes her selection of the best white wines, champagne and port

Page XIII

Toys for the boys

The video game industry is so huge that it can afford to ignore women. But it needs to hook the under-12s, says Alexander McGregor

Barely covered by her combat hot pants and a singer that clings tightly to the cartoon curves of her "bodacious body", Lara Croft leapt out of her box with guns blazing in late November and will have landed in more than 2m homes worldwide by Christmas.

A cross between Thinkin and a scantily clad Indiana Jones, Lara Croft is an archaeologist and action heroine whose adventures in the third series of *Tomb Raider* is one of the most popular gifts jamming yule tide stockings this year.

Lara is facing tough competition from other formidable video game stars: that wily Crash Bandicoot will be head-butting his evil namesake Dr Neo Cortex. But perhaps the biggest seller will be *The Legend of Zelda*, an old video game favourite upgraded to 3D.

Released for less than a month, it has already been tagged "the best game ever designed" by the pre-eminent video game publication, *New Generation* magazine.

While these games might seem like good clean fun, they are really foot soldiers in a larger war being fought over the console - that plastic, spider-like control-set whose buttons and levers direct the shooting, fighting, racing and jumping on the games being played out on the television screen.

Who controls the console (the hardware) invariably depends on who can provide the hottest games (the software). Such crowd pleasers as Lara Croft and Crash Bandicoot pull players to Sony's PlayStation. The success of *Zelda* this Christmas means Nintendo sells more N64 machines. A limited number, such as the best-selling *Myst* and *Riven*, are PC games played with a mouse.

Once a gamer has bought a console, there are any amount of games (retailing for between \$20 (£12) and \$60 each, depending on how new they are) available for the preferred game platform.

The spoils of market domination are lucrative, according to figures from the Interactive Digital Software Association, a US trade organisation representing US video and PC game publishers: between 1996 and 1997, sales of video game consoles such as Nintendo 64 and Sony PlayStation nearly tripled from 6m to 16m. By the end of 1998, they are expected to double again and reach 32m. Future sales will only be limited by the number of television sets.

In spite of the lack of mainstream media coverage or the high cultural accreditation accorded to the film industry, the video game sector has become the fastest-growing part of the entertainment industry.

In 1997, the US video and PC game industry reached \$5.1bn in sales of hardware and software, a 38 per cent increase over 1996. In the first half of 1998, the industry recorded another 30 per cent jump in growth, and this year will supersede the annual gross from the film industry's box office receipts.

Further, an average game costs considerably less to produce than the average Hollywood studio film - roughly between \$2m and \$3m a game, as opposed to



\$30m plus for a film. It is little wonder that such film industry titans as Steven Spielberg and George Lucas are now producing video games.

Lucas's *Star Wars* franchise series is already a successful video game and his software production company, LucasArts, has produced *Grim Fandango*, a PC hit for this Christmas. A "Mexican Noir" adventure story, it features Manny Calavera, a travel agent at the Department of Death who guides newly dead souls embarking on a journey through to the ninth underworld.

If there are any constants to the video game industry, they are its continual rapid expansion and its ruthlessly cyclical nature. Since the days of such arcade hits as Atari's *Pong* and *Pac-Man* 25 years ago, no console or game has dominated the market for more than five years. In a fiercely competitive world dominated by Japanese companies, Atari, Nintendo and Sega have all had their turn on top of the video game heap. Now it is the turn of Sony's PlayStation.

No console has enjoyed greater dominance than PlayStation. Since its launch in late 1995, 12.5m PlayStations have been sold in the US, with more than 40m shipped worldwide - and counting. Sony estimates that one in every eight US homes has a PlayStation.

With the dominant hardware comes a cut of the accompanying software - Sony has managed to grab 70 per cent of the domestic US video game market. In less than four years PlayStation and its games have come to account for about 25 per cent of Sony Corporation's first quarter profits.

Approaching its fourth Christmas on the market, the PlayStation looks in good shape to defy the odds and go beyond the standard five-year cycle. Certainly, there is little competition on the immediate horizon. In Japan, Sega released *Dreamcast* last month, plus a new console which includes a Microsoft operating system and a modem providing full internet access for online gaming.

To some, *Dreamcast* marks the oft-heralded arrival of technological "convergence"

- the black box which combines PC, telephone, and web-browsing needs, as well as being a game console. Sega is determinedly modest about *Dreamcast*'s abilities.

"We're not going after being a multi-media box," says Dan Stevens, director of public relations for Sega. "It's a game machine, and it does more kinds of games, better kinds of games than

Sony estimates that one in every eight US homes has a PlayStation

any machine before. Our focus is on entertainment." If games are the key, then *Dreamcast*, with only four games for its start-up, faces stiff opposition when it is released in the US in late 1998. Even if Sega's technology is better, it is competing with PlayStation, which has more than 400 titles, and Nintendo with 116 available for its N64 machine.

The explosive growth of the market can be traced to Sony's ability to attract game players from beyond the traditional base of teenage boys.

"Kids have long been a core market and the introduction of highly advanced games targeting a broader audience has turned entertainment software into a mass market," says Doug Lowenstein, president of IDSA. "In fact, those over 18 years old now represent the majority of video and PC game players."

"We went out and targeted our marketing not just to young kids but to a much wider group," says Andy House, vice-president for marketing at Sony Computer Entertainment. "We realised that there were people out there who had played video games as teenagers on previous systems. They were 10 years older, but we found video games were still part of their entertainment and they would be intrigued and interested in this system. So we always talked about our core target as the 12-to-24 age group."

Sony quickly discovered that PlayStation was also

extremely popular with the 24-34 age group, which shares many similar interests in music, films, and television shows, as Sony's initial core target. And PlayStation delivered what they wanted, introducing 3D arcade-quality games into the living room.

But what drew the older generation to Sony's console were the sports games. Football, hockey and basketball games were increasingly reproduced with a realism and speed approaching the verisimilitude of a television broadcast. This realism has been augmented by the use of real well-known commentators and up-to-date team lists. In Europe, the big seller was the motor racing game, *Grand Turismo*.

One side-effect of the erosion of game-playing into the mature male consumer market is the continual shaving of plans to design games for females. Not that many in the industry appear worried.

"The same question has been asked of the video game industry for 20 years," explains Jeff Levy, a vice-president of *Software*, a software-producing company owned by Sony. "But I don't think that most male dominated products worry about it. Do beer companies market to women? Or do they just go after their core demographic?

"Do we have the luxury of developing products for women? It is that age-old adage, a dollar chasing a nickel. Isn't it better to fish where the fish are?"

Levy does admit to playing video games with his wife at home: "My wife and I play *Twisted Metal*. She loves being able to drive around and blow me up."

But while it is easy to ignore 50 per cent of the market when there is so much profitability in the other 50 per cent, Sony still needs to search for new markets to avoid being washed away by the next wave of technology. To this end, it is focusing its marketing machine on a forgotten group of non-gamers.

"Now is the time to go after the younger market," says House, when asked about PlayStation's Christmas marketing plans. "What is odd for us, is that the one untapped market is the under-12s."

Some companies have already taken aim at the under-12s. Brenda Laurel, a 20-year veteran of the video-game industry and former director of marketing at Atari, started up Purple Moon in Silicon Valley, a software company dedicated to designing games for girls in 1996.

"If we don't reach them before the age of 12," explains Laurel, "they will never get into it. Girls become most at risk of dropping out of such pursuits as mathematics and science at that cusp of adolescence."

Already Purple Moon has published games such as *Hockey's New School* and *Secret Paths in the Forest*. Both adventure games are without the fighting or the guns endemic to boys' games. There is also a girl's soccer game, *Starfire Soccer Series*.

"We [in the video-games industry] have been stuck on a plateau without any new genres," says Laurel, "and that is really related to the belief in the industry that only a certain demographic

would play their products. As long as they could offer things that were selling, there was no motivation for inventiveness, for bringing vigour into the industry."

The biggest threat to the hegemony of PlayStation, or any of its competitors, come from such "platform free" sources as the internet and PCs. The better-resolution graphics of PCs already makes them more popular with many hardcore gamers.

There are even professional tournaments for multi-player internet games that attract people from all parts of the globe. Internet access allows a player to join a web game at any time of the day, wherever they are.

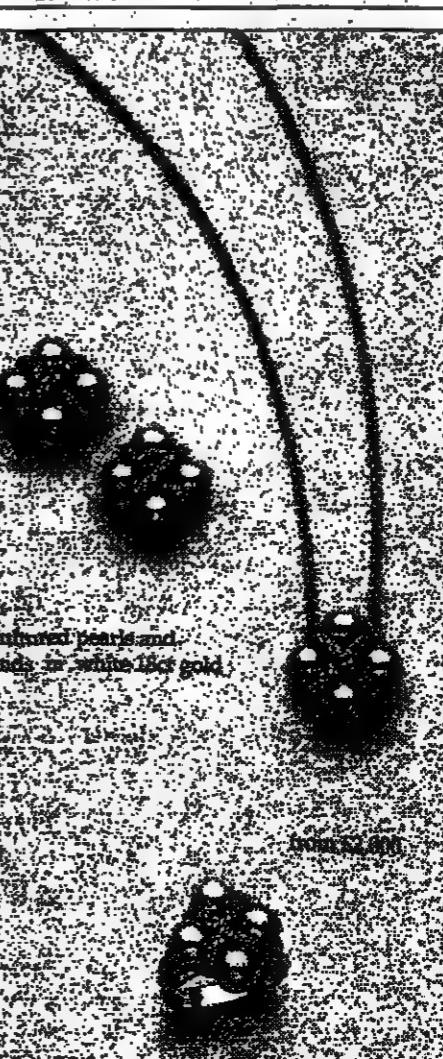
It is little wonder that Steven Spielberg is producing video games

However, the cost of the premium PCs needed to play games competitively runs into thousands of dollars, while a console can be had for about \$120.

That might change with the expected fall in PC prices, leading some analysts to predict that by 2002, online gaming will account for up to 35 per cent of the gaming industry. And there will be many more female players, depending on the games.

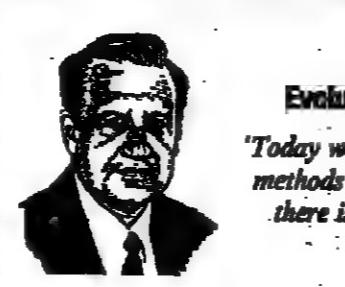
"I don't think that anyone has yet figured out the secret formula," says Chris Charla, editor of Next Generation, about what pulls females to play games.

Meanwhile, for the boys, there is a steadily rising tide of hyper-competitive racing and fighting games disguised as adventure, action, puzzle, sports and role-playing genres. Striding around the head of the flash flood



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Joe Rogaly

Evolutionary argument

'Today we face a choice between methods of reproduction. Alas, there is no divine guidance'

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NEXT WEEK

True Fiction

'Why I dug under my house in an attempt to cure my backache and asthma'

In FT Weekend

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PERSPECTIVES



Ethics Today

The slippery serpent of human identity

Joe Rogaly fears we are set on a path that will enable us to manipulate our very fibres

God never said it was a sin to clone a sheep. Nothing in the Ten Commandments forbids the manufacture of identical human twins in test tubes. Since we mortals invented these things it is we who must decide whether to use them.

This could be tricky. When we knew where babies came from we knew what was permissible. Today we face a choice between methods of reproduction. Alas, there is no divine guidance.

The reason is plain. Science is amoral. Whoever wrote the book of *Genesis* made a big mistake. The fruit of the tree of knowledge tells us much about good and evil. It just enables us to discover the genetic composition of the apple. Come to think of it, Eve has much to answer for.

Before I can ask Frank Field a question, he is telling me a story about a man named George Bell. I am unable to interrupt because my mouth is full. Field has persuaded me to order the full House of Commons cooked breakfast while taking only a cup of tea for himself, and he has seized the moral high ground by paying for everything.

I want to pick over Field's resignation as welfare minister in July, but he wants to discuss the two shopping bags full of Bell's papers that he was given recently.

Bell, it appears, was an Anglican churchman who nearly became Archbishop of Canterbury but had to settle for Bishop of Chichester. "Bell cared passionately about not getting the top job," says Field. "And I think that makes him a bigger figure."

Field is perfectly aware of the parallels between Bell's life and his own: two Christians, two long votes, two disappointed ambitions. And, like Bell, Field knows what it is to be responsible and useless.

His replacement, former Labour party leader when he was only the leader of Commons whips, Gordon Brown, the chancellor, has blocked his plans for welfare reform. Various Labour MPs have gone into him in public. Field, they say, was a woolly theorist who did not understand that governments must make policy.

Alastair Campbell, Tony Blair's spokesman, reported that Field was "not best suited to running a government department" (which failed to explain why, days before, Blair had offered Field another job).

At 56, Field is almost sure he will never be a minister again. "I have read too much political history about those poor souls who think that if only they ingratiate themselves they will come back," he says. "The job is an important thing and I would have liked to have done it. But it's not everything." And he recalls the scene in

that fatal bite of her opened our minds, led to the evolution of reason.

In the twinkling of a few thousand years we find ourselves racing away from the biblical environment, drawn by science, technology, and the market economy. This troika is the most powerful product of human ingenuity yet known. It moves at ever-increasing speed. The landscape is a blur. Moral precepts formerly regarded as absolute were established by theologians who inhabited a world that is far behind us.

None of them could have imagined such a thing as 21st century biotechnology. That is why the invention of ethical issues in a report published in Britain this week seems anachronistic. The paper, produced by a pair of

quangos, supports the ban on what it calls "human reproductive cloning", while calling for relaxation of the rules on "therapeutic use" of human raw material. It sounds too conveniently sensible to be wise.

Let me explain. Most people fear the consequences of producing offspring in a manner not achievable by nature; so many or more and their heads in sympathy when offered a list of dread illnesses for which a cure might be found if such-and-such an experiment with reproductive tissue were allowed to proceed.

The authors, representing the Human Genetics Advisory Commission and the Human Fertilisation and Embryology Authority, have done their best. They wrestle with the slippery serpent of human identity. "In our view,

persons are more than their genes," they say. This is proved by the differences between identical twins, nature's clones.

Yet the production of genetically identical persons in different generations, impossible in nature, "could raise novel problems". That is one reason for rejecting cloning in cases of infertility. Anyhow, grown-up clones might be less highly valued than the natural-born.

There are other difficulties. Reconstructed embryos of animals die, or develop abnormalities. We could manufacture freaks. Even if that is discredited, many people recall as a means to an end.

We know that these doubts will be flattened by the hooves of the troika. Proponents of there-

peudic experiments with human embryos and cells are kidding us, and themselves, when they assert that there is no next step.

Granted, human cloning is illegal in many countries, but then, so, once, was abortion. The line may hold for a while, but we all know in our bones that it will be crossed.

Some of us are apprehensive about this. If technicians in white coats can buy, sell and manipulate elements of life, what is the value of any one of us? Where is the soul? Its existence is widely, but not universally, denied, but it was not always so.

The ancient Greeks and Romans assumed that an individual was created when the spirit entered the fetus. In the 17th century, some theorists

thought they saw a tiny person in the head of the sperm cell. Catholics think life begins with conception.

manipulate the fibres of which we are made.

The prospect is dizzying, rather like the contemplation of infinity, or the void. Perhaps I have read too much science fiction. I confess to a diet of "Amazing Stories" and "Astounding Tales" in my youth. Many fine writers contributed to these pulp magazines. Their covers often featured a bug-eyed monster clutching a maiden in distress.

Inside, the authors would try to apply conventional values to the improbable situations they dreamed up. The *Star Trek* stories usually contain a moral.

Now that reality is catching up with our imaginations, we seek desperately for rules of behaviour to which we can comfortably adhere.

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Another problem is that Field rarely says he cares for the poor, a ritual for every other politician talking about welfare. "It's quite important not to hike your conscience around on your lapel," he says, and he tells me about George Lansbury, a pacifist Labour leader of the 1930s who did hike his.

On this Monday morning in the Commons, Field would appear to have about as much influence as Lansbury did when he went to ask Hitler to reject war.

But Field disagrees with me, saying he has formed working parties on pensions, fraud and success measurements to provide costings for his policies.

"It's similar to what Lloyd George did in the inter-war years: trying to shift the debate by winning the argument. And he certainly did win it, though it never benefited him much."

Field is unlikely to achieve more through his working parties than he did as a minister. The recent Queen's Speech pledged to extend means testing. Surely Field must now feel as powerless as he did when the Tories also extended means testing during their time in office?

"Slightly worse," because one's own side is proposing it.

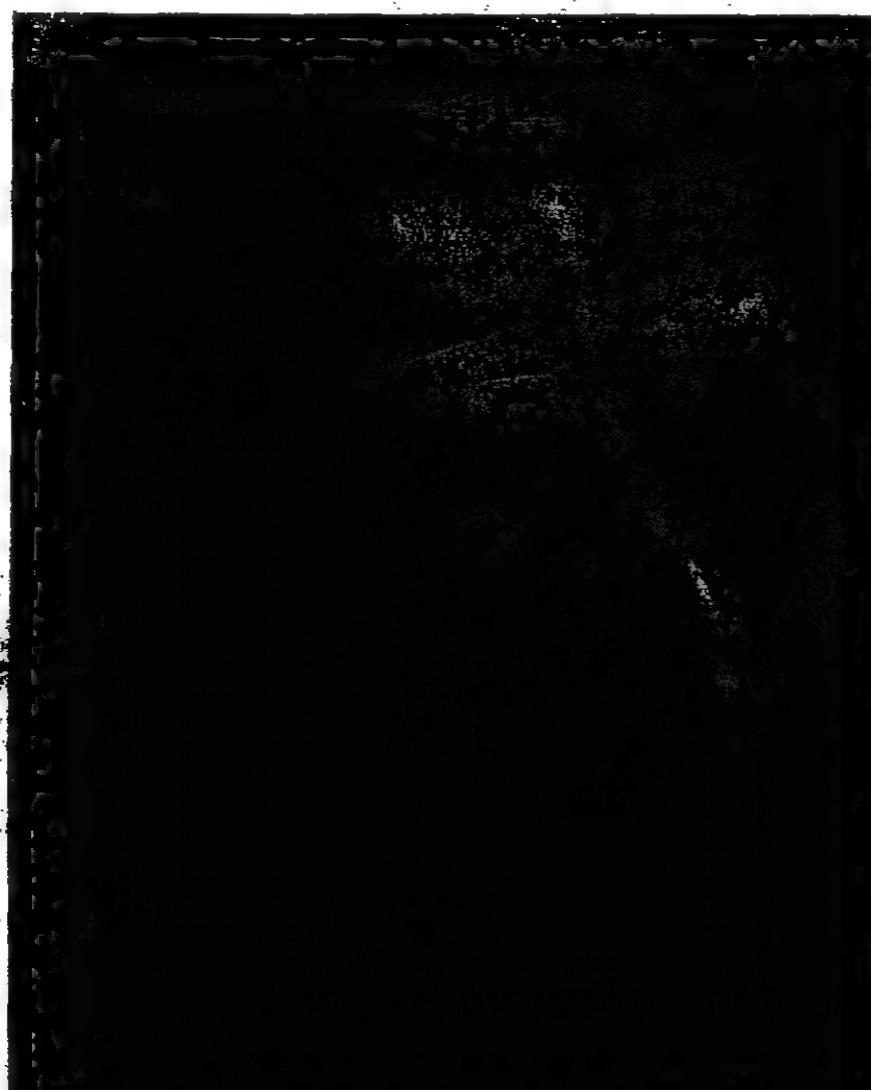
But the Queen's Speech also contained good news for him. Labour said that it would introduce "stakeholder pensions" this year, presumably not far removed from those in Field's green paper. Decades from now those pensions could be seen as his legacy. That must keep him cheerful.

As does the fact that our combined breakfasts cost less than £2. "No one," he says, "has looked at the real reason why a House of Commons meal is so valuable."

Breakfast with the FT

A lone voice not quite silenced

Frank Field puts his loss of office into the context of political history. Simon Kuper reports



Frank Field: "It's quite important not to hike your conscience around on your lapel"

PA Feature/Lindon

the film *A Man For All Seasons* when Thomas More asks his accuser Richard Rich what seal he is wearing around his neck. "It's the chancery of Wales," answers Rich. More says: "To sell one's soul for the world, Rich, but for Wales, for Wales!"

"Mind you," Field adds, "in modern politics it's quite a coveted position, isn't it?"

Field will not walk the corridors of the Commons for decades muttering his grievances. He has things to do, and interests outside work – for instance, there can be few people who know as

much about British political history.

Yet the Blair years should have been his era. Field is not just a clever man who knows everything about welfare. More importantly, the prime minister, like Bell, is his soul mate. Both Field and Blair are Anglicans who

believe that people are driven by self-interest and that the poor need jobs instead of hand-outs.

Before Blair arrived, Field had disdained Labour. He recalls being telephoned the day before the 1987 election by an aide to Neil Kinnock, then party leader. "We'll be calling you from Downing Street tomorrow," the aide said.

"Oh," said Field, "is there a call box on Downing Street?"

The next day, knocking on doors in his constituency, Field was told by a voter that Labour were "a shower".

"Sir," said Field, "I couldn't agree with you more."

When Blair became leader, Field rejoiced. He remembers asking him in 1996: "Do you want to be prime minister, or do you want to be a great prime minister?" Because the great prime minister, like Clement Attlee and Lloyd George, reformed welfare.

Although Blair remained silent, Field concluded that he wanted to be a great prime minister. And he claims that a year before the 1997 election Blair told him: "I hope to make you social security secretary straight away." Field would get his chance to turn the £100m social security budget upside down.

But Blair gave the secretary's job to Harriet Harman. He made Field a junior minister with the brief, famously, to "think the unthinkable" and to write a green paper that would set out Labour's reforms.

Working with Harman – who was not, it is said, his intellectual equal, and also not his friend – Field found that his notes and memos failed to reach Blair. Once,

introducing second pensions. However, these would have cost money. To make everyone save for another pension, with some money funnelled towards the poorest, would probably be perceived as a tax. Labour was not ready for that, and Brown wanted his own man in the biggest spending department, so Field had to go. But to explain the waste of 15 months' work on welfare, the party had to destroy Field's reputation.

Yet it remains true that Field was a bad politician in that he failed to get his policies implemented. Perhaps the problem was the lack of a champion. Field agreed with Blair, liked Blair, but never got close to him. Cultivating people is not his way.

The one politician he constantly praised was Margaret Thatcher, and that did his Labour career little good.

Field did not have much support around the country either. I ask him why he is regarded as a sort of Victorian poorhouse warden.

"I know," he says. "No one expects me to be humorous. But even when Kinnock said something deeply serious, everyone would laugh, because they expected him to be humorous."

Field's looks don't help: he appears grey and cadaverous on television, and is unusually neat.

In the tea room, wearing a tie underneath a blue sweater, he looks like a schoolmaster. Field also denies being a thinker rather than a doer. He did have workable policies, he insists, such as

jobs not dole, responsibility, second pensions.

However, Field opposes means testing: the principle that people have to prove they are poor before receiving benefits. Field says this discourages people from finding jobs – because they then lose their benefits – and also encourages them to cheat by not declaring income. Brown, by contrast, is a means-tester.

I ask whether there were ideological differences.

"Certainly not with the prime minister."

Field also denies being a thinker rather than a doer. He did have workable policies, he insists, such as

Last of the student whine

Eve Modzelewski, an American abroad, ponders on her country's urge to complain

What do you think is the main difference between life in England and life in the States? I casually mumbled between gulps of my pint, to a Londoner I met at the pub next door to my apartment.

He gave me a squinty glance that implied I might be overstepping the limits of nonchalant pub talk, then reluctantly responded. "The British are afraid to speak up about what they dislike... unlike Americans."

Was this a personal insult aimed at me, an American college student who had spent almost three months in London, or just a euphemistic way of saying Americans are a nation of whiners? Maybe it was best not to complain about the ambiguity.

Instead, I reflected on how my venture away from my sanctuary, the University of North Carolina in Chapel Hill (UNC), into a tiny seven-person flat on Gray's Inn Road, has brought some cultural differences to light.

My departure from the US coincided with a landmark complaint in American politics – the public release of the report of the independent prosecutor Kenneth Starr last September.

Sitting in the airport, I

to escape the sensationalism that bombarded me from the airport news stations. I wasn't aware the topic would follow me into the pub of London, attaching a puritanical stigma to my American classmates and me.

I have had to prove I am not influenced by this puritan mentality upon which the US was founded. Regularly downing a few pints is how I try to correct this misconception. After all, I am still a year shy of 21 – the legal drinking age in the US, where drinking includes a series of rituals quite different from those in London.

It is rare for UNC students to venture out of their dorms or apartments and into the fraternity parties or bars before 11pm. I tried to adhere to this social timetable on my first night out in London, only to find myself mocked by the sounds of the "last orders" bell. Fortunately, I was able to make the necessary alterations in my schedule, allotting the early evening to pub visits, but I have learned that when I am running late for class, it's best to wear blue jeans, a sweatshirt, and tennis shoes – the "unofficial" uniform at UNC. That way, tourists will know I am one of them.

Once I have made it to my classes at Great Russell Street, I am in more familiar territory. Paper-writing and classroom discussions are about the same as at home, but varying accents occa-

sionally impede discussions between British professors and American students.

I was convinced "dangers" was the name of a British football team until one of my professors pointed out they accompany your eggs. I was similarly thrown by references along the transatlantic voyage the meaning changed, and a biscuit became a buttery, fatty roll in North Carolina, while it remains a sweet staple at teatime in England.

I can adapt to different terminology, but I miss the practical amenities of life at UNC – for instance, a single tap that yields a warm combination of hot and cold water in the bathroom sinks, although I must admit that the shocking alternation between scorching hot and icy cold water on my face serves to wake me up faster in the mornings. Also in the US, I became accustomed to rolling in luxuries such as 24-hour supermarkets, which are few in London.

The complaining for which Americans have become notorious has not helped university students evade huge tuition bills each semester. Even public universities such as UNC cost far more than the new tuition fees of about £1,000 at public English universities. I saw evidence of student pro-

tests about this fee on a Tube poster that read: "Grants Not Fees".

Maybe the British are just more selective than Americans in their complaints. Instead of complaining about the water temperature in their flats or slow service in restaurants, they rally against the imposition of student fees.

And maybe if we Americans were more selective over our carping, we would receive more effective responses. American students studying abroad, myself included, should complain about the exorbitant university fees at home, for example.

Somehow, this seems more justified than whining about having to use a power adapter on my American-made laptop.

Then again, I should refrain from complaining altogether during my time in London. After all, there is plenty more to keep my mind off whining here than there is in Chapel Hill.

My stay in London might be much more fulfilling if I ignored the urge to complain and instead threw on a dark coat, walked the streets with the momentum of a Tube train, and headed out to a pub. And the next time I see my acquaintances at the pub next door, I will prove his theory wrong.

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PERSPECTIVES

It's Friday afternoon in the City of London and two former Merrill Lynch bankers are sitting in tiny, spartan cubicles looking for work. A poster at their career management consultancy asks: "Is it too late to run away and join the circus?"

A short walk away along Cheapside and Le Coq D'Argent, one of a swathe of new restaurants to open in London this summer, is packed. Its lunchtime diners hail from the City and spend more money per head than at any other Terence Conran restaurant in London.

These are the best and worst of times in the City and on Wall Street. A bumper first half of the year, when many firms earned record profits, led executives to expect record year-end bonuses. Then the Russian debacle in August prompted mayhem in the world's financial markets and a round of cost-cutting which has led to thousands of investment bankers being sacked.

Fears of another 1987 or even 1929 were widespread until falling interest rates and a wave of fresh investor optimism saw Wall Street reach new highs in November. Now nobody knows whether we are in the age of financial enlightenment or incredulity.

In the wake of the market crash of 1987, the Centre for Economic and Business Research (CEBR), a London-based private think tank, estimated that more than 20,000 jobs were lost in the City, prices of premium London property went into free-fall and sales of luxury goods plummeted.

Yet the City is divided now between those who have hopes of a huge bonus and those who have no job. Uncertainty reigns as banks postpone decisions until after the year-end and speculation mounts about the possible black holes they are hiding. This confusion has helped to highlight the reality of working in the financial world in the late 1990s.

Among the few certainties are the number of highly paid front-line jobs which have already been axed. Merrill Lynch, the investment bank known as the Thundering Herd, appeared to judder to a halt when it fired 3,400 people around the world, 5 per cent of its workforce, in October.

Others to have cut financial jobs include ING Barings, the London International Financial Futures and Options Exchange, Grupo Santander and Robert Fleming Securities.

Harshest hit have been emerg-



Cold wind on financial front

Jane Martinson and Tracy Corrigan on the prospect of bloodletting in the City and on Wall St

ing-markets and fixed-income divisions, while those working in equities or corporate finance are still enjoying a largely profitable year.

The experience of Pieter (not his real name), who has worked in the City for two years, is symptomatic of recent turmoil. His first job in the emerging-markets division of a UK-owned investment bank lasted just over a year before he was made redundant following a takeover.

He then started as a European equity analyst for Merrill Lynch before losing his job in September. He is now back at his old firm but working as a UK equity analyst. "The atmosphere in emerging markets is pretty bloody horrible," he said.

He was glad to leave Merrill Lynch, however. He went back last month and was told by a former colleague that coffee and biscuits in the fifth-floor meeting rooms were no longer available as "that was where the hangman was". Staff at the US bank had been called up to these rooms

to be told they were being fired. Merrill, under pressure from Brussels, has broken with City staff to go back and clear their desks.

Other banks are suffering from the threat of impending upheaval. The tie-up between Deutsche Bank and Banca Trust of the US is set to lead to 5,500 people losing their jobs. One London-based headhunter said: "It's going to be a bloodbath."

Many observers think the outlook for those who have lost their jobs during the latest round of cuts is particularly bleak. "This has been the fastest, deepest decline I have seen," said one Wall Street headhunter, who added that many people who have lost their jobs will be out of the industry for good.

Others feel we are simply witnessing the latest round of healthy rationalisation with banks using the downturn to get rid of some dead wood. Stephen Lewis, the chief economist at Monument Derivatives who is

credited with correctly forecasting the number of job losses in the City after 1987, believes there is a certain amount of rationalisation going on.

He believes 20,000 of the 260,000 City jobs in London could be lost in the next 18 months because of

market for investment banking services."

One headhunter agreed: "It's given some banks the opportunity to clean up after six or seven years of a bull market. It's a bit like dead-heading roses - but on a huge scale."

Such longer-term rationalisation is unlikely to make this year's round of bonuses any less contentious. Banks which have not announced large-scale job losses are rumoured to have cut the total bonus pool by at least 15-20 per cent.

But the sharpest cuts are expected to fall most heavily on a handful of areas. Laura Lofaro, president of Sterling Resources International, a Wall Street executive search firm, said staff dealing with fixed income products "will be ecstatic if they have jobs. Their attitude is pay me no bonus, just let me stay employed," she added.

The CEBR published a study on City spending habits two years ago which found that bankers saved half their bonuses and

spent half of the rest on property. So when these cautious spenders find themselves living with uncertainty, one of the first things to be affected is the property market. One Wall Street corporate financier decided to lose a deposit of several hundred thousand dollars for a Manhattan apartment in October rather than go ahead with the purchase in uncertain times. Another potential buyer was reported to have pulled back from buying a \$2m (£1.2m) mansion, with a resulting loss of \$400,000.

"The first three months of this year were incredibly busy, the best for anyone ever. People are just taking the time now to get to know their kids or just to sleep before getting up again in January," said Xavier Jordan, who soon to leave his Moscow-based job with J. P. Morgan, said many job cut victims this year will take time out. "Everyone is so incredibly battle-fatigued and shell-shocked," he said.

"The first three months of this year were incredibly busy, the best for anyone ever. People are just taking the time now to get to know their kids or just to sleep before getting up again in January,"

Allen Wheat, chairman and chief executive officer of Credit Suisse First Boston, made no forecasts when he spoke at a gathering of the investment bank's managing directors in Florida in November.

He said *A Perfect Storm*, the title of a recent best-seller about a catastrophe off the coast of New England, reminded him of this year's market.

The only difference, he said, was that nobody knew whether it could get no worse or whether they were simply enjoying a brief lull while resting in the centre of

the third quarter.

All but the most impulsive of purchasing could be affected by

Common currency, but no common agenda

Stephen R. Graubard sees little sign of convergence in the EU

To pay visits to the US in this autumn of its discontent, and to the leading states of the European Union is to become aware of two phenomena, neither anticipated nor much remarked on.

The first is that the visit of President Bill Clinton are of scant interest to most west Europeans. Instead, Europe appears to be very much more preoccupied with itself. This will come as no surprise to those who have recently visited London, Bonn, Paris or Rome.

What is surprising, however, is that none of these capitals is today seized by the same political agenda. Their social, economic and intellectual preoccupations differ greatly, and there are reasons to believe they may indeed be growing increasingly disparate.

The political cultures of the UK, Germany, France and Italy remain visibly different, and do not appear to be converging.

But two facets have changed. First, for the only time this century, these four member states of the EU are led by politicians who purport to belong to the left, whatever meaning that shopworn 19th century political label retains.

Second, and perhaps more significantly, the presumably "socialist" leanings of these men are believed by some to provide greater opportunities for effective collaboration as much in the political, military and social spheres as in the more purely economic.

This challenging proposition might suggest that Tony Blair, Gerhard Schröder, Lionel Jospin and Massimo D'Alema are in fact challenged by the same forces, attentive to the same issues. But they are not.

To travel through Europe today is to be scarcely aware that it is on the eve of a momentous change, one that will bring a common currency to most of the states of the EU. Yet each of these "left" governments seeks to represent itself as innovative, pledged to far-reaching reform.

Take the example of Tony

Blair. He offers himself as a man of the people. He makes the reform of the House of Lords seem a monumental matter, never saying what sort of second chamber will eventually be constituted and whether it will substantially enhance British democracy.

The government's many other constitutional reforms - proposals for a Scottish parliament, a Welsh assembly and elected mayors - suggest this is a government on the move, not satisfied to leave things as they are.

But what resonance, if any, can such purely insular measures have for the parties of the left on the Continent?

While the new government insists that it will soon attack Germany's greatest problem - double digit unemployment - the remedies offered so far are not wholly persuasive to those who understand the complexity and depth of the country's social inequalities.

In short, the government's move from sonnenblau and provincial Bonn to vital, building-site Berlin, is thought to be a transfer of great moment, symptomatic of Germany having finally become a "normal" country, no longer held back from its rightful place in Europe and the world by inhibitions created by its Nazi past.

It is all very reminiscent of the mood in the UK a short 18 months ago; the old socialism of Marx has been obliterated, as traditional Labour had been replaced by a new pragmatism, a "middle way" that allows even long-excluded Turks to hope for German citizenship.

In France, the mood is quite different, as is the political agenda. Many exult in how well *cohabitation* has worked - an arrangement under which the president, Jacques Chirac, accepts he is the country's travelling salesman, selling France's virtues to the world, while Lionel Jospin, the honest, Protestant, uncharismatic Socialist prime minister, reassures the population that the country's problems are in fact being attended to.

But the level of unemployment remains dangerously high, hundreds of thousands of lycée students in Paris and the provinces go on strike, and the older and more staid bourgeois citizens are no less unhappy.

In these circumstances, world soccer victories become national rites of celebration, and the opening of a new Métro line, connecting the Madeleine to the new Bibliothèque de France, with its cars electronically controlled, is offered as fresh evidence of French technological prowess.

If the area around the Bibliothèque is a vast uninhabited "desert" now, it will not long remain so.

What France achieved in

the west of Paris, with its once-new Defense complex, it will soon also accomplish in that area but whether that compensates for the loss of influence in the world, in Asia, Africa and the Americas, is not much discussed in today's France.

In Italy, it is the arrival of a new government, led by the former Communist, Massimo D'Alema, that gives concern to some.

His apostasy from his earlier Marxist beliefs seems insufficient to reassure those who see him as an old-style politician, who, at an opportune moment after the fall of the Soviet Union, recognised the need to change his tune.

No one in Rome imagines D'Alema has arrived with a social or economic programme to be enacted between now and the election of the new president next spring.

Indeed, after the budget that brought down Romano Prodi is approved, Italy will turn to its most compelling business - the start of the bargaining process that will culminate in the election of a new chief of state.

This, much more than any new plan for political reform, will consume the parliamentarians in the coming months. Italy, as so often in the past, while obviously concerned with the instabilities characteristic of the Mediterranean basin, and of all that is happening in the former Yugoslavia and Albania, is not likely to become a significant player in the international arena.

Proud to have achieved its admission to the euro on the first round, it has no illusions about displacing either Germany or France as a principal EU actor.

Inevitably, the question must be asked whether these four European governments, so consumed with very different political agendas, can possibly unite to give a new direction to Europe.

These are not governments given to heroics; they are cautious, more worried about the future and more evasive about their intentions than they are willing to let on.

■ Stephen R. Graubard is editor of *Dædalus*, the journal of the American Academy of Arts and Sciences

class
acts for
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classics

Latin A

J. P. Morgan

BOOKS

Class acts for the classics

Max Wilkinson listens to the talking books that get to the heart of the matter

At last, someone has understood the inner Bertie Wooster. Admirers of P.G. Wodehouse's Jeeves stories may have grasped the true nature of their overdesigned, under-educated upper-class narrator. But actors who portray him on stage, film or talking books almost never do. There is more to Bertie than most chaps think.

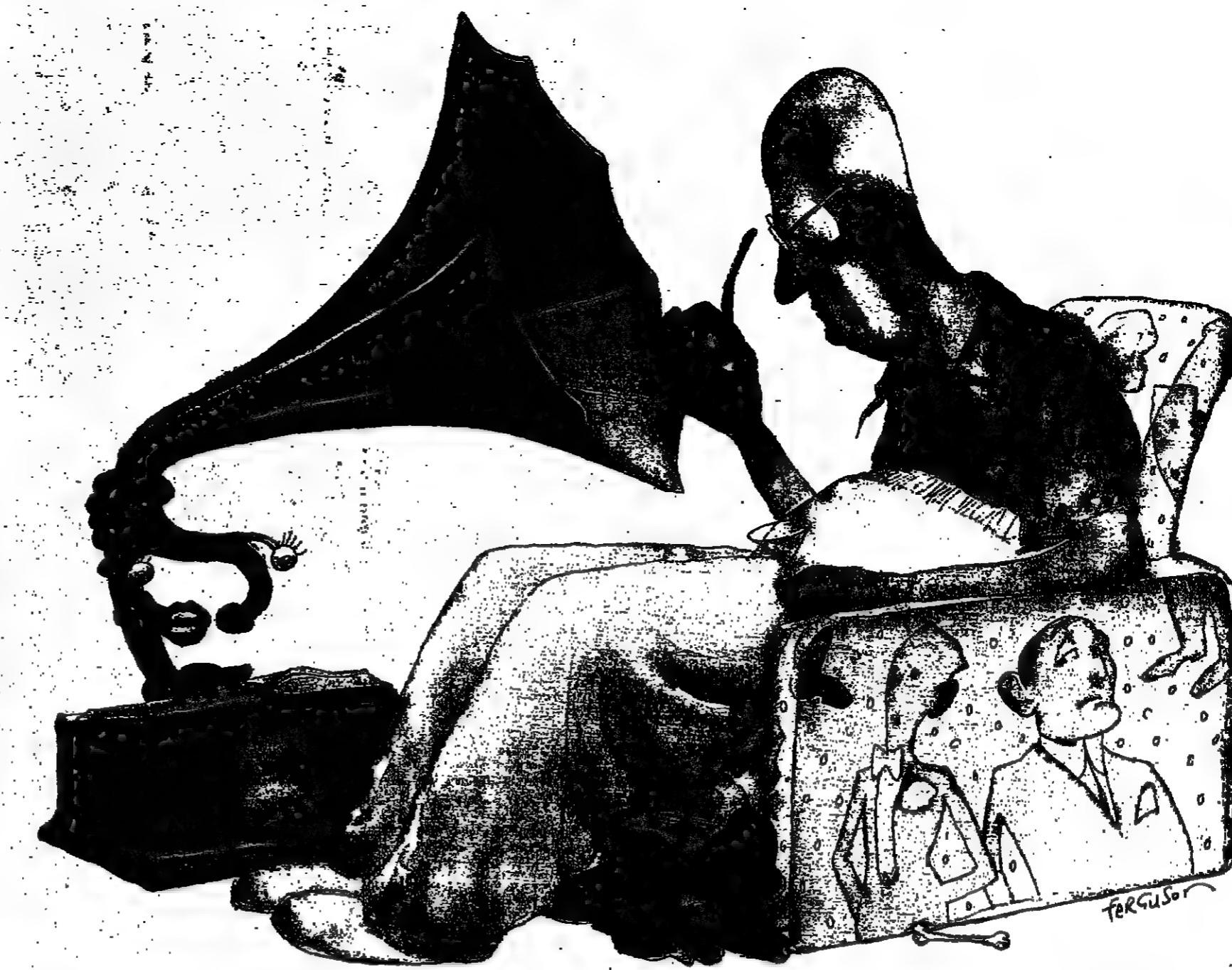
One should not exaggerate. The insights of this twit-with-a-hangover were often foggy; and his wackier schemes, like his quotations from Shakespeare, were never quite finished without his butler's help. Still, if Bertie

Cecil does Jeeves superbly. And you could not tell his Gussie Finknottle from the real thing

He was no more than the silly ass that aunts Agatha and Dahlia thought him, how come he wrote such terrific stories?

In his eight recordings of the unabridged Jeeves novels, Jonathan Cecil has found the answer. It goes something like this: Bertie isn't simply Bertie, don't you see? If he were, he couldn't be as funny. So is he P.G. Wodehouse in disguise? Clearly not, for whenever Bertie is making fun of the other people, PGW makes fun of Bertie, thus covering up his true perceptiveness - if it is perceptiveness. Difficult. So how is a reader to convey this double life of Bertie's, at once the elegant idiot while also a knowing observer of the human comedy? Most do not try.

Bertie's solution is to portray Bertie much as he sees himself: a decent, sensible chap - quite intelligent, but no giant brain, of course -



whose scrapes are just a series of accidents caused by other people. Cecil manages to make this seem amazingly plausible. So he exploits the inner nuances of Wodehouse's irony and makes the reader constantly aware of his mocking presence, just behind each character. I should add that Cecil does Jeeves superbly. And you absolutely could not tell his Gussie Finknottle from the real thing.

So there you have it. Wodehouse is a genius, as they say, it takes one to spot one. Definitely my top tip for Christmas. Good for any aunt, or even a spouse if you haven't been as slippery as Bertie in getting out of engagements.

Cecil's reading also creates a gold standard for this year's selection of talking books, which I have chosen unashamedly from old favourites, classical and mid-brow. I have gone mainly for full-length versions, partly because they are more satisfying, but also because their prices have fallen impressively. Anyone reading aloud faces what one might call the "Woozter dilemma" in some degree - how to create sharply differentiated characters, without losing the voice of the author. Good mimics such as Martin Jarvis can project a wonderful array of characters and read the narrative faultlessly, yet not quite catch the full resonance of a book. So, although I have enjoyed his (bridged) Wodehouse readings, they are not in the Cecili class. Similarly, I found his Great Expectations a little too much a story as heard from Pip, lacking the full colour and shade of Dickens's voice. Some minutes must therefore be added to his audio.

First person narratives are particularly difficult in this respect. The speaking voice must be finely modulated to express both the narrator as story-teller (and proxy for the author) and also the different persons revealed in dialogue. I was sorry to find that Anton Lesser did not

meet the challenge in his reading of Enid Blyton's great adventure story of sailing and spying, *The Riddle of the Sands*. He missed the frank contrast between the languid self-confidence of Carruthers, the foreign office roff, and the urgent Romanticism of his descriptions of sand and sea-scape. Hard to bring out, but essential to all those *Middlemarch* cutters for whom the text seems obscurely profound. It is certainly more than the tale of two young men messenging about in boats at the turn of the century.

Two first person readings which I much enjoyed were Geoffrey Palmer's delightful performance as the repressed ex-banker in Graham Greene's *Travels with My Aunt*. He makes the story as fresh and varied as it could be, with no trace of a problem with funny accents. The other was Jonathan Oliver's *I, Claudius*. His reading well expresses the wry but kindly cynicism of Graves's character in a world where a couple of pols and a session with a

tar were all part of the morning's work, before settling down to the business of scheming and spying.

Then, I must nominate Rob Ingols's superb reading of *Lieutenant Hornblower*, even if these books are not to everyone's taste. He does the fullest justice to C.S. Forester's descriptive power, which is too often underestimated by those who have never been pressed into the world of ships and battle. Ingols's rich voice relishes every detail, and especially the ponderous beauty of a man-of-war in the age of Nelson. He gets the characters just right, too, playing out a drama which - of its kind - has never been bettered. In contrast, a reading by Ian Griffford of three abridged versions of *Hornblower* stories is stuck in the doldrums with its dulls check.

Two other nominations are David Horovitch's evocative reading of *Fathers and Sons*, and Steven Pacey's *Tristam Shandy*. In different ways, both show the importance of catching the author's tone of voice first, before showing off those of his characters. Horovitch, particularly, blends the

people into Turgenev's wide Russian landscape with consummate skill. And Pacey catches Sterne's quickness, while adding enough conversational warmth to prevent him from seeming remote.

I was less certain at first about Greta Scacchi's rendering of *Persuasion*, the most moving of Jane Austen's novels, perhaps because it may have been based on Austen's personal experience of unfulfilled love. By comparison with the measured intelligence of Anna Massey's recording made 12 years ago, Scacchi has tried a more dramatic approach.

Massey's is Jane Austen, whereas Scacchi tries to be Anne Elliot, Captain Wentworth and all the rest. She frankly overdoes some of the minor characters, emphasising their obvious foibles rather than their inner folly, which is to miss the point of Jane Austen. Yet I found Scacchi's portrayal of Anne very affecting. A slight tremor of the voice, a hesitation, or quickening of pace seemed to bring the listener closer even than usual to the inner thoughts and feelings of this most appealing of heroines. Yet I cannot bring myself to be unfaithful to Massey. For such a masterpiece, it might not be absurd to buy both.

Irene Sutcliffe's *Pride and Prejudice*, on the other hand, is one to pass by. Any reading of this book must convey not only the vigour and fun of Elizabeth Bennet, but the extraordinary versatility of the author's humour, as she

problem. Neil Hunt reads it with splendid attack, adding almost a sneer of scorn to Galsworthy's ironic depiction of the self-satisfied tribe. I liked it, and his wonderful impersonations. But I wondered if I would tire of it after 36 hours. Would such a vigorous interpretation be too intrusive? I confess that I also wondered if I would tire of Galsworthy, although I much enjoyed the books as a student. The answer is probably no, one would become absorbed in the saga all over again, but alas I did not have time.

I might add a handful for the Christmas stocking: I enjoyed Alan Bates's splendid reading of this year's Booker prizewinner, *Amsterdam* by Ian McEwan. Bates conveys that he is enjoying the book, especially the tightly realised descriptive passages and the racy narrative. The late Ted Hughes's reading of his own translation of *Tales of Ovid* is so characteristically original as to be a Must for all his admirers. Alan Bennett's abridged *Wind in the Willows* is similarly a masterly, and highly individual performance. By contrast I found

Sir Michael Hordern's full length *Wind in the Willows* - delightful, of course - but a bit too much of an old man's reading of a tale so brimming with the energies and delights of youth. And for anyone who likes Thomas Hardy's lyric poetry, Penguin's two cassette selection will be a delight.

Finally, as the new year rings in the stur, you might feel the need to celebrate the glories of old England and confusion to the French. If so I can strongly recommend Archangel's *Henry V* in its complete Shakespeare series. This is an intelligent production, performed for drama and sense, but giving at the same time proper emphasis to the cadence and grandeur of Shakespeare's verse. And there is a proper moral for modern times. Britain won the battle but lost the continent. Now, it can join the French, but not beat them.

■ For prices and details try *The Audio Book Collection*, Freepost (BA1686/1), Bath, BA1 3QZ; Tel: 01225 443400 or *The Talking Book Shop*, 11 Wigmore Street, London W1H 9LB Tel: 0171-491 4117; e-mail: TalkingBooks @msn.com

I found Scaachi's portrayal of Jane Austen's Anne Eliot very affecting

turns her characters (including even Elizabeth) this way and that, holding them up to the light from every conceivable direction. Sutcliffe, however, seems to put the characters in a circus without the ringmaster. So they go through their tricks, without quite knowing the point of it all.

One massive work - the three volume *Forges Saga* - left me with an unexpected

problem. Neil Hunt reads it with splendid attack, adding almost a sneer of scorn to Galsworthy's ironic depiction of the self-satisfied tribe. I liked it, and his wonderful impersonations. But I wondered if I would tire of it after 36 hours. Would such a vigorous interpretation be too intrusive? I confess that I also wondered if I would tire of Galsworthy, although I much enjoyed the books as a student. The answer is probably no, one would become absorbed in the saga all over again, but alas I did not have time.

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be no doubt that this extraordinarily vivid exploration of personal limits, both physical and mental, combined with an acute examination, idiosyncrasies and all, of Japanese culture and society, made it a remarkable book by any standards. Dull as it seems to endorse the William Hill judges, they leave no alternative.

Latin America is kicked into touch

Football books have proliferated during a World Cup year, writes Huw Richards



Football fever on the beach at Ipanema

hard about making MacRae, winner in 1996 with *Dark Trade*, their first two-time champion. Those nostalgic for pre-professional rugby could turn to Peter Jackson's *Lions of Wales* (Mainstream, £14.99), which weaves a flowing, highly entertaining narrative from sympathetic interviews.

It was a quiet year for cricket. Phil Tufnell's *Postcards from the Beach* (Collins Willow, £14.99) was predictably quirky and engaging. But the new cricket literary journal, *The New Ball* (edited by Rob Steen; Two Heads, £2.99), set itself a high standard in Australian contributions with its first issue, particularly Gideon Haigh's essay on Jack Iweron and Dick Wellham's intriguing psychological analysis of recent Australian XIs.

Among other sports, ice hockey boasted Liam Slattery's matily engrossing *A Game of Three Halves* (Mainstream, £14.99), while the William Hill judges were engaged by snooker player Jimmy White's autobiography, *Behind the White Ball* (with Rosemary Kingsland; Hutchinson, £18.99), an extraordinary stream of consciousness in which triumph and disaster at Wembley, Preston or the Crucible figure much less vividly than a narrative of booze and bets, ducking and diving.

But they rightly opted for a still more original memoir, Robert Twigger's *Angry White Pyjamas* (Indigo/Cassell, £16.99). The one doubt was whether the William Hill judges thought long and

hard about making MacRae, winner in 1996 with *Dark Trade*, their first two-time champion. Those nostalgic for pre-professional rugby could turn to Peter Jackson's *Lions of Wales* (Mainstream, £14.99), which weaves a flowing, highly entertaining narrative from sympathetic interviews.

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BOOKS



Back to the days when chemistry on screen rather than off was the important thing: scene from David Lean's 1946 version of 'Great Expectations'

Year of the big questions

Insecurity is the new reality in business, argues Stuart Crainer

These are curious times in the business book world. There has not been a real business blockbuster since Gary Hamel and C.K. Prahalad's *Competing for the Future* – published in 1994. Indeed, the big seller of recent years has been Scott Adams' *Dilbert* in its many manifestations. It seems that either business people have been weaned off the guru-inspired quick fix or there is a genuine dearth of good business books. Thankfully, the books published during 1998 suggest the former.

Among those marketed as the next great thing was *Blur* by Stan Davis and Christopher Meyer (Capstone, £16.99). *Blur* is definitely a book of our times. It eschews easy answers. Indeed, it eschews answers, arguing that this is the era of questions. Questioning is in vogue – Charles Handy has carved a lucrative niche as the working world's question master. Insecurity is the awkward new reality.

Not so long ago, a book like *Blur* would have been the equivalent of publishing suicide. When blind faith and certainty ruled, *Blur* would not even have been considered as a possible title – too weak, too suggestive of managerial confusion and impotence; too realistic. Reassuringly, for a book about the future, *Blur* is injected with a healthy supply of realism and honesty. And its central arguments are clearly put. Davis and Meyer argue that three forces – connectivity, speed, and intangibles – are blurring the rules and redefining our businesses and our lives. They are destroying solutions, such as mass production, segmented pricing, and standardised jobs, that worked for the relatively slow, unconnected industrial world.

Elsewhere, the vogue for big questions has led to a continuing flood of business-meets-spirituality books. These contend that success means getting in touch with your inner self as well as the bottom-line. To some this is flaky nonsense; others plainly thrive on mass therapy. Leading the way is Daniel Goleman, whose *Working with Emotional Intelligence* (Bloomsbury, £16.99) is a sequel to his bestselling *Emotional Intelligence*. Whether you buy into Goleman's ideas or not, his book is a rich source of insights into corporate life. It is thick with anecdotes.

Back in the real world is *ABB: The Dancing Giant* by Kevin Barham and Claudio Heimer (FT/Pitman, £21.99). This tells the story of Asea Brown Boveri (ABB), one of the most lauded and reported on companies of our time. Corporate stories can be long and dreary. A Swedish-Swiss engineering company is, undoubtedly, an unlikely source of enlightenment. John Wiley deserves congratulation for re-issuing two management classics, Peter Drucker's *Adventures of a Bystander* (John Wiley, £17.99) and Abraham Maslow's *Maslow on Management* (John Wiley, £16.50). The latter provides an accessible introduction to the work of human behaviour and motivation guru, Abraham Maslow (best known as the creator of the hierarchy of needs). Drucker's book gives insights into the remarkable life of the world's foremost management thinker. It is, in effect, a collection of autobiographical essays. Along the way, Drucker pulls in an array of characters – including Sigmund Freud, briefly encountered in Austria, Alfred P. Sloan of General Motors, and inventor Buckminster Fuller. As with all Drucker's work, *Adventures of a Bystander* is impressively eclectic, leaving most readers gasping for intellectual breath and questioning the comparative poverty of their own lives. It may well be best read in conjunction with Daniel Goleman's route-map to emotional well-being.

Up close and personal

Film books during 1998 have focused firmly on the individual, writes Nigel Andrews

The cult of personality, never a recessive feature of the film world, is becoming pandemic in film publishing. In 1998 a reviewer could not move for such books – they clogged up his floor space and crawled up his shelves. Monographs about monomaniacs; idolisations of the already idealised; film histories wrenching into portraiture of the creators rather than appreciation of what they created.

One imagines some Kane-like supremo of the presses crying, "Never mind the movies, tell us about the men and women!" Men and women are to a degree the movies, of course. So we expect and embrace good biographical bones like John McCabe's *Cagney* (Aurum, £15.95); Ronald Bergan's *Eisenstein* (Little, Brown, £22.50); Audrey Saalfield's *Leni Riefenstahl* (Pimlico, £10) and Randy Robert and James S. Olson's *John Wayne: American* (University of Nebraska, £19.99). All these are good buys, layering fresh colours and contours onto familiar icons and themes, by projection, onto the movies themselves?

Another 1998 controversy-catcher was Peter Biskind's *Easy Riders, Raging Bulls* (Bloomsbury, £20). This is about the movies: the alleged vanishing of art and individual vision from Hollywood after the 1970s, when Coppola, Scorsese and Altman, following the paradigmatic burnout of Dennis Hopper, lost their edge and gave way to toys-R-us directors like Spielberg and Lucas.

Biskind, though, sacrifices reason for readability. Though he touches on the social and economic causes behind this shift towards entertainment and "event movies" after a counterculture golden age that lasted from *Easy Rider* to *Nashville*, he gets so carried away by his own celebrity character-sketching that we come to believe the true cause of change was the

fact that Hopper, Hal Ashby and company took drugs and Spielberg didn't; that Altman and Scorsese were gungho bohemian-radicals and Lucas wasn't; that... And so on. Basically this is another book asserting that history is all about personal temperaments

There is an eerie tendency today for film history and critique – as well as biography – to solicit the kiss of personality

and their battle with themselves or each other, rather than a complex weave of social, cultural and industry factors, with the personal element just one among many.

Homocentrism can be argued persuasively, for instance by Charles Drazin in *The Finest Years* (Andre Deutsch, £17.99), a study of 1940s British cinema built on repeat chapters on key movers and shakers, from producers like Selwyn and Del Giudice to directors like Reed and Lean. Colourful and

engaging, Drazin's book wins us over because it admits its personality-cult approach while encouraging us to read beyond and explore further.

Similarly, *The Penguin Book of Hollywood* (£25) just about succeeds in having it both ways. Editor Christopher Silvestri anthologises the prose of film-biz outsiders and insiders – from Winston Churchill and Bertrand Russell to David Niven and Sidney Lumet – to present a part-critical kaleidoscope of the greatest accident factory in the world. Only occasionally do we realise that the book's focus, when it can and does focus, is again on the glitterati who form and encourage celebrity-cult polyphony.

Some books, though, have bravely fought the whole damn cult. Thomas Schatz's *The Genius of the System* (Faber £14.99), a 500-page about the Hollywood studio system, comes out waving a sabre from the start. He writes that autonorm – in which personality cult is manifested as the exaggerated attribution of creative credit to the director – has "effectively stalled film history and criticism in a prolonged stage of adolescent romanticism". Schatz says we should stop drooling over directors as fictional only-begetters and pay tribute, long overdue, to the midwifery efficiency of the Tinseltown structure as a whole.

Another way to fight personality is to focus on individual movies and their myriad participants beyond the director and star(s). Bloomsbury's new Film Guide series comprises A-Z monographs on single movies, including *Blue Velvet*, *Goldfinger* and *Apocalypse Now* (by the FT's Karl French). The BFI continues its Film Classics series, though adding its own celeb touch this year by losing Camille Paglia on *The Birds* (BFI, £7.99). Peter Cowie's *The Godfather Book* (Faber, £14.99) is also a handy history, a history of a great movie endeavour showing how serendipity and creative polyphony are as much, or more, the essence of filmmaking as One Man's Vision.

Of course such books won't sell

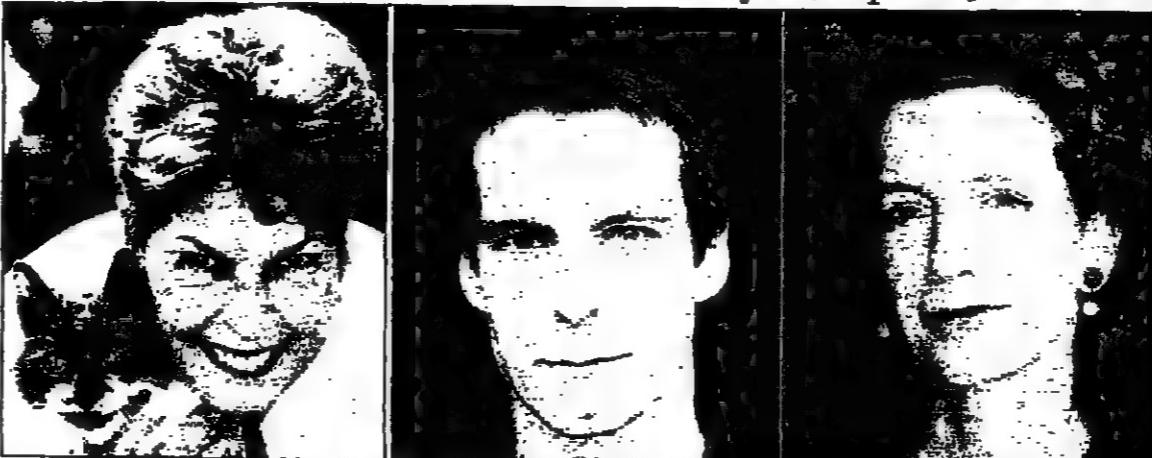
in the same numbers as the latest Bruce Willis blog or Monroe re-examination. Time alone may wean us off that VIP-mania; time and books that look at the perennial in movie-making rather than the picaresque or personality-based. Love it or hate it – and I do both – Robert McKee's *Story* (Metaphren, £16.99) boldly skywrites its credo that good stories make good films and that a set of inviolable constituents of good stories, if you can stand McKee's diagrams and jargon ("inciting incidents", "principles of transition") you may learn a whole new way of looking at film.

What happened to the novel in 1998? Has the election of a new government, committed to modernising every aspect of British life, had an impact on the country's fiction? Perhaps it is too soon for the effect to work through and there are half a dozen major talents quietly at work, getting ready to chronicle Tony Blair's Britain.

But the most striking thing about the state of fiction in the last 12 months is the conservatism of both

Only a few new flights of fancy

Conservatism has been the most striking thing about the state of fiction this year, reports Joan Smith



Underated and thought-provoking: Leslie Forbes (left) and Ruth Rendell; and Rosamund Bennett (right), shortlisted for the Whitbread

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FINANCIAL TIMES

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readers and editors. The bestseller lists have been dominated by established authors, a trend reflected by the presence on the Booker shortlist of three heavyweights – Beryl Bainbridge, Julian Barnes and Ian McEwan.

Bainbridge's novel *England, England* (Jonathan Cape, £15.99), about a theme park on the Isle of Wight, described trends already in place in the early 1990s. Bainbridge was the favourite for her Crimean adventure *Master George* (Duckworth, £14.99) but lost to McEwan's *Amsterdam* (Jonathan Cape, £14.99), an award seen by many critics as long overdue – if made for the wrong book, as is often the case with this most prestigious of prizes. But it came in a year when life became harder than ever for first-time novelists, who need to pull off the trick of fitting an established formula and displaying originality if they are to find a publisher.

Those who do manage to get their work into print in these straitened times, like the bus driver Magnus Mills whose debut novel, *The Restraint of Beasts*, also made the Booker shortlist, are the target of frenzied speculation – in Mills' case, about a supposed film advance which existed only in a journalist's overheated imagination. The story of the advance that never was revealed the extent to which critical judgment has been overtaken by hype, with many more inches being devoted to Mills' finances and his

job than the quality of his novel.

Even so, some of the best reviews of the year were reserved for a brilliant performance by the Irish writer Ronan Bennett, whose third novel *The Catastrophist* (Headline, £14.99) is set in the Congo at the end of the 1950s. Bennett's unsettling account of the violent events surrounding the handover from foreign rule is both a commentary on the debilitating effect of colonialism and a love story which goes badly wrong. Erotic, fluent and intense, *The Catastrophist*

thoroughly deserved a place on the shortlist of the Whitbread novel prize after it was overlooked by the Booker judges.

Where Bennett's novel invited comparisons between the colonial experience in Africa and Ireland, the German novelist Christa Wolf embarked on an ambitious and elliptical commentary on the treatment of immigrants in her re-working of an ancient Greek myth.

In Wolf's novel *Medea* (Virago), set in Corinth, the Colchian princess and her retinue are ostracised after her lover, Jason, transfers

his affections to the king's daughter, leaving the little group of foreigners dangerously exposed. Wolf's premise, that Medea's evil reputation is the result of a lethal combination of misogyny and racism, is highly original and utterly convincing. In harsh contrast to the sunny landscapes of myth, she creates a city corrupted by murder and intrigue, in which Medea's intelligence and insight make her a threat to an unstable regime.

A different but equally corrupt city is the setting for Leslie Forbes's gripping

Rendell's continued

absence from the literary prize shortlists, especially in a year when she has published two exceptional novels, is further evidence of the conservatism which infects juries. *The Chimney Sweep's Boy* (Viking, £15.99) her latest book in the series written under the pseudonym Barbara Vine, opens with the death of a novelist, Gerald Candless, who never quite achieved what his career seemed to promise. When his daughter Sarah embarks on a memoir, she makes the disturbing discovery that none of the facts of his life can be verified – that her father, early on in life, assumed a new identity for reasons he never revealed.

This is a novel about a writer whose most compelling act of authorship is the invention of a new and convincing self, executed with Vine's characteristic ability to maintain tension.

A Sigh for Sore Eyes (Hutchinson, £16.99), published a few months later, is simply a tour de force, a chilling account of the effect of isolation and inattention on a gifted boy. In a genre which is increasingly notable for high body counts and buckets of gore, the bleakness of the book's conclusion lies in its recognition of subtler crimes than murder, demonstrating once again Rendell's status as one of our most talented and consistently underrated novelists.

Buy a Dog's Dinner



A Christmas Message



ar of the questions

It is the new beginning,
argues Stuart Crainer

Goya in a new light

William Packer on a well-chosen exhibition in Lille

Any exhibition of Goya is important, but especially so in France, where there has been nothing substantial for a generation. And small as the Lille exhibition is, with little over 50 works, loans have been called in from all over the world, from Milan to Budapest. If certain obvious or familiar absences were either not available or not asked for, the compensation of the unfamiliar and utterly surprising is more than adequate. The vicious purple of the walls is the only surprise we could have done without.

The sub-title, in loose translation, suggests "a liberated vision", and here the intention is less to give a chronological account of life and work than to remark its range and particular preoccupations. So it is that in the first room, which does have much early work, the ravishing "Parasol" (1777) has been set in direct relation to the great decorative "Autumn", with its seductive grape-pickers (1787), both from the Prado, and with them Lille's own treasure, "The Young Women" reading a letter (after 1813). Each has its foreground group of figures against a freely-stated schematic landscape; each makes great play with the distribution of light and shade upon head and face – although the pretty harvester has her basket for shade rather than a real parasol.

So we come, in turn, upon early portraits; paintings upon religious subjects; the studio inventory of 1812; and, finally, some of the later portraits. Each room includes remarkable things. The first, for example, also holds such treats as the tiny, exquisite study of a lugubrious, life-size mannikin being tossed in blanket by a group of girls (1781). And there, too, is the sun-drenched scene of the communal picnic outside Madrid on the feast of St Isidro (1785). The religious paintings include a majestic ideal portrait of St Gregory in papal finery, writing in a book upon his knee (after 1780). Among the early portraits is the earliest painting in the show, a self-portrait (after 1770), clearly the result of deep study of Rembrandt. And a charming curiosity is a most sensitively Goya-esque copy, the only non-Goya in the show, of his Duchess of Alba (1783), probably by Augustin Esteve. There she stands, crowned by her mane of black hair, in her white dress with its scarlet sash, as magnificently plain and simple as a Greek column.

The 1812 inventory, made some months after the death of his wife, Josefa, is the first mention we have of Goya's still-lives, which now remain little-known and rather neglected. Of the 10 known, six are here, shown together along one wall, and so extraordinary as to be all but worth the trip. For Goya, as much as anyone, is the great link in painting between the masters of the 17th century and those of the 18th, through whom



Seductive early work: 'Autumn' (the grape-pickers), 1785, by Goya

we now trace the course of the Modern movement. If we see in him the true heir to the Venetians and the Baroque, we may no less reasonably detect the first hints at a truly Modern sensibility, as much in his practice as in his choice of subject. With Velasquez always at his shoulder, he reaches out directly to Delacroix, Courbet, Manet and Degas. And it is these few still-lives, with their immediacy of drawing and frankness in the statement, their unapologetic combination of extreme subtlety and bold simplicity, that seem to touch the later masters most directly. Most: most of all – the soft, pink, naked flesh of the fresh plucked

turkey; the heap of fish with their blank, yellow, googly eyes.

But in the end, it is his portraits that rivet the attention. They are uneven in their accomplishment – but then, Goya is commanding even in his awkwardness and failures, which is the mark and privilege of the great artist. Some are very odd, some notoriously unfilming, or honest as some would say. The full-length Marchioness of Santiago (1805) is indeed a little alarming, with her pallid mask of a face, bright rosy cheeks and staring eyes. But yet how wonderfully

assured and complete she is, the simple stance enlivened by her cocked wrist at her hip, and the fuller form of her figure articulated by the gentle fall of her gauzy scarf about her skirts. The background, apparently a mere flurry of pink upon grey, resolves itself miraculously into a village beneath the mountain, masked by trees.

Goya is without doubt one of the great masters of the portrait. But, however beautiful or interesting his women, it is as a painter of men that he is all but unequalled. And yet it is not the great subjects, such as the handsome young Count of Ferman Nunez (1803), seen here in all his martial glory, that

sets him apart, so much as the more intimate portraits of friends and acquaintances, men of the world. The diplomat, Don Perez de Castro (before 1808) leans negligently on his arm to fix us with a calm and wistful gaze. Don Perez y Cuervo (1820), stands more boldly in his shirt sleeves, arms crossed. Each in its own way is a portrait of the utmost naturalism and ease, yet of the deepest psychological profundity. These are men of our own, our modern world.

Goya – un regard libre: Palais des Beaux-Arts, Lille, until March 14 (closed on Tuesdays), then to the Museum of Art, Philadelphia.

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A Christmas Message

At this time of year, our thoughts turn to all our friends who have generously supported our Hospice during 1998. Your donations have helped to bring care, comfort and support to many patients and their families again this year. May we wish you all a very happy and peaceful Christmas.

Sister Superior

ST. JOSEPH'S HOSPICE
MARE ST, LONDON E8 4SA
(Charity Reg. No. 200223)



Radio/Martin Hoyle A triumph for elitism

medium. Elsewhere the senior service is increasingly used as a trailer for flashier television programmes. Thus last Saturday's *From Our Own Correspondent* contained at least three items that were to be treated at greater length on the small screen, two of which turned up in that evening's *Correspondent* on BBC1. For all its masters' bubble of increased choice – that magic word as potent for Labour as it was for the Tories – the BBC is offering less choice than ever.

All credit to Jeremy Mortimer's production, the hauntingly apt music of Nick Russell Pavier and David Clinton, and the voice of Mia Soteriou, who seems to be a fixture in poetic radio drama. All credit, too, to a marvellous cast including Paul Scofield, Toby Stephens, Michael Maloney and Julian Glover, though for once (bearing the tapes without having the cast to hand) one was aware of characters enacting the drama, not great actors swimming it.

Troy is one of those triumphs that belong to radio, that use and love the

extraordinary occurrence on Radio 3, something which may mark a radical change in how the fribble and fashionable (the government) regard high culture in this country. The word "elitist" was used in a positive way. It implied excellence, no more or less. The occasion was the *Music Masters* BBC Forum, the recording of a live discussion held in London's Barbican Centre on the alleged official dumbing down of the arts in Britain. Most sense came from John Tusa, the Barbican Arts Centre supremo and a former provider of *gravitas* to the BBC. Alan Howard, a government minister, sounded no more reliable on the arts than he had on politics (he was formerly a Conservative). Gillian Moore, pioneer in musical outreach for the young, made a more relevant point when she referred to "Clanger" Robinson (as opposed to "Off-shore" Robinson) and his "distrust, even contempt" for artists. As the gentleman concerned is in charge of the Arts Council, this is not a cheering prospect.

Since time immemorial the FT's Christopher Dunkley has been the unimpassable

presenter of *Feedback*, a diplomatic yet trenchant voice between the public wrath and often arrogant executives who are not in the business to cater for those irrelevancies, mere historians. He has now left, another blow for the invaluable programme, already shunted into less popular hours in the schedules. However, pleasant surprises include *At the Store* in Radio 4's controversial early-evening comedy slot. The latest was actually funny, notably for a black comedian – identified on radio only because he joked about being black.

Another erratic band has been Radio 4's quizzes, sometimes lame, sometimes too specialised. *Full Orchestra* has proved a success, pitched at the moderately informed classical music lover, chaired by Tommy Pearson, who is sufficiently bouncy and breezy to get the roof vote, but who also sounds as if he knows what he is talking about (unlike the average arts programme presenter, say). His pits two orchestras against each other. Last week the band from Cots knocked spots off the rather twee ladies from the British Sinfonia.

Two lingering memories of the week: Rupert Murdoch's assertion, quoted in RA's *A Better World*, that communications are the enemy of totalitarianism, then kicking the BBC off the news satellite to China. And Mo Mowlam, in Thursday's *Today* referring to Senator George Mitchell as George Michael. Even Homer nods.

Television/Christopher Dunkley Grey areas left unexplored

In the days of apartheid, when South Africa was governed by white right wing politicians, British television showed frequent programmes detailing the horrors and injustices of life in that country.

Those serving on juries distributing prizes for television documentaries found that, often, the contenders included not just one but several brave programmes in which clandestine filming showed the awfulness of life in Soweto, or the appalling methods of the South African police. Occasionally, the FT television column inquired why British television took so little interest in police methods in African countries with black governments and stayed so quiet about the cruelties arising from other discriminatory systems, such as caste in India or party politics in Soviet Russia, but nobody in television responded, of course.

Then, in 1994, South Africa acquired a predominantly black government under Nelson Mandela, and British television's fascination with South Africa's social conditions vanished overnight. Optimistic viewers may have assumed that everything was now hunky dory and there was no reason to make any more agonised programmes. Sceptics guessed that matters were as bad, or worse, than ever and that the programme makers, who had been so keen to display their fine sensitivities to the viewers so long as the bogeymen were white, had lost stomach for the cause once the colour of the governing class changed.

It was high time somebody took the cameras back to South Africa and tried to tell the truth about what is happening today. So there comes for Paul Watson, the man who first came to our attention when he documented the lives of the Wilkins in Reading in his series *The Family* in 1974, and later made a horror series about an Australian family in *Sylvania Waters*. Tomorrow and on Monday Channel 4 screens its two programmes, *White Lies* – a title which, on screen, starts out as "White Lies", only acquiring the "V" at the last moment. Presumably this tells us where Watson stands, but if so it is just about the last time he intrudes, more's the pity.

Of course we don't know what Watson really thinks about any of this: perhaps he is being satirical or mischievous. Yet that errant "V" at the beginning suggests that this is the familiar modern nod-nod, wink-wink type of programme making. As such it seems more disreputable than either the Muggeridge or voices of god style, since it pretends to a neutrality which is a complete fiction.

That sort of ethical sleight of hand is bad enough, but when programme makers refuse to intervene with information, you discover practical drawbacks which are even more irritating. Is Richard Kennedy the brother, son, or cousin of Vince Kennedy? If there was a screen caption it passed me by. What happened over the Samora Machel investigation? Does Watson (who was present and had a chance to estimate the man's character) really believe that the black car-jacker was armed by the police? And what happened to the woman who got half way through a vivid account of being held up at gunpoint and pushed into a car, fearing she was about to be raped? When a programme maker's purist insistence on non-intervention results in this sort of tantalising omission something has surely gone seriously wrong with the journalism.

There are many interesting details in the programmes. Watson follows a journalist as she investigates the death in a plane crash of Samora Machel, president of Mozambique. He interviews a black man who says he participates in the hijacking of cars, and has killed people using a gun and ammunition which, he claims, was given to him by the police. The right wing extremist, Eugene Terre Blanche, appears for long enough to recite a few lines from "I wandered lonely as a cloud" to prove his love of English. And we hear from the members of an Afrikaner family named Mathee. The father destroys any of his racing pigeons which arrive late; the son lends money at 300 per cent interest; and the mother

Global Arts Guide

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FINANCIAL TIMES

No FT, no comment.

ARTS

Master builder comes in from the cold

Controversial architect Frank Gehry tells Alice Rawsthorn how the success of his Bilbao Guggenheim Museum has changed his life

Imagine being Frank Gehry. You spend your entire adult life as an architect, facing constant critical sniping. You win your first public commission at the age of 60, only for it to be put on ice for a decade. Then you design a new museum for the Guggenheim Foundation in Bilbao, which is hailed as a masterpiece.

"It feels strange," admits Gehry. "I'm so used to getting flak for my work, that the acceptance of Bilbao has been amazing. If it had happened when I was 40, I'd have been freaked, but I'll be 70 next February, and I'm old enough to take it. I figure that if Bilbao was the one shot of my life, and nothing else good comes out of it, I can always retire gracefully."

He has, of course, no intention of retiring. On the agenda at his Santa Monica office is the Experience Music Project under con-

struction in Seattle; a new building for the Massachusetts Institute of Technology, and a business school at Case Western University in Cleveland. Gehry has also accepted smaller projects including an extension to his museum for Vitra, the Swiss furniture firm, an art gallery in Mississippi and an oncology centre in Scotland. And, next spring, construction will start on Gehry's first public commission, the Disney Concert Hall in downtown Los Angeles.

Without the critical acclaim for the Guggenheim, the Disney scheme would probably have remained mired in financial problems and administrative squabbles. "The fact of Bilbao made them get on with it," says Gehry. "It's strange because I never expected to win the competition for it. The power structure in Los Angeles had passed me over many times. They didn't like my work, and saw me only

as someone who worked in wire mesh, corrugated plastic and plywood."

Gehry now has the luxury of refining his original design. "They've asked for some changes, like adding an office complex and cladding it in metal, not stone, and I've made changes myself," he says. "I've had that model in my office for 10 years, and when you look at those things for long enough, you notice all the little kinks and you've got time to put them right."

Even though he seems to have won over the LA establishment, Gehry still feels alienated from it. "If you've spent your whole life as an outsider, you never feel any different," he says. Gehry was an outsider from the beginning of his career when, like Sir Norman Foster on the other side of the Atlantic, he became one of the handful of working-class lads to storm the architectural establishment, traditionally a gentlemanly preserve for those with private means.

But Gehry's sometimes gruff, no-nonsense manner and love of the "wire mesh, corrugated plastic and plywood" which the LA powers-that-be abhorred made his journey longer and rockier than the urbane Sir Norman's.

Gehry sees architecture as a vehicle for "finding a way of living in our time, and expressing it"; and approaches it as a psychoanalytic exercise by using the design process as a means to explore popular culture and articulate his conclusions. The result is a series of buildings which are often as fractured and brutal as the society Gehry is analysing, notably the urban fortresses he has built as houses in LA, including his own home in an otherwise inconspicuous Santa Monica street, which appears to be defending itself against urban violence with protective shields of plywood and mesh.

The neighbours hate the



Given carte blanche to build an iconoclastic architectural landmark: Frank Gehry's masterpiece, the Guggenheim Museum, Bilbao

Ap Photo/Javier Reina

house although, as Gehry points out, its architectural armour looks no less eccentric than the suburban *dérives* of boats, caravans, crazy paving walls and faux Roman fountains outside their homes. And to Gehry's admirers, all his buildings have the same painterly sensibility as those of his hero, Le Corbusier. Despite their superficial eccentricities, they are as perfectly proportioned as beautiful pieces of sculpture, which is, after all, how he conceived them. For years, Gehry junkies have tracked down his buildings by trawling suburban LA, but he did not have the opportunity to appeal to a wider audience until he was given the chance to work on

a larger scale at the Guggenheim Museum in Bilbao. Thomas Krenz, the Guggenheim's director, and the Basque government gave Gehry *carte blanche* to create an iconoclastic architectural landmark which, they hoped, would attract tourists to Bilbao, as the *grands projets* had done to Paris. The popular and critical response to the building has exceeded their wildest expectations with 1.5m people visiting it in the first year, very few of whom would have gone to Bilbao before it was built.

Gehry hopes that a new project will have the same effect on Panama, a country he knows well because his wife, Berta, is Panamanian. When he was

shown the plans for a new development by the Panama Canal to mark its handing over from the US to Panama on December 31, 1999, "I just freaked out. It was really schlocky, the worst kind of postmodernist pastiche - not even second-rate architecture, even further down the line than that. I thought, if they go ahead this place is finished. And that would be a tragedy because Panama is a great country, with incredible natural resources and amazingly energetic people."

Gehry assembled a group of architects - including his old friends, Harry Cobb from IM Pei's practice in New York and Bob Tannen, a New Orleans structural engineer, and young talents, such as Ben Van Berkel from Amsterdam and Lindy Roy from New York - whom he took to Panama City last week to introduce to local architects there. "I knew from my own experience in LA that when architects came in from the outside it upped the ante by raising the level of debate and made people work harder," he says. "If these kids can build 10 really decent projects, that capture international attention and get written about, it will make a difference to Panama."

The Panamanian government has given its blessing, not least because Gehry's scheme fits neatly with its own plan to position the country as an eco-tourist

destination, but so far Gehry has not been asked to design anything there. "I'm not saying no, definitely not," he says. "If there's a great project that fits my mode of operating, I might do it. But I wouldn't be happy if it was a case of me doing something and everybody else getting nothing."

"Having struggled for so long, Gehry genuinely seems to enjoy playing the patrician by collaborating with younger architects. Nor does he seem to have lost the urgency to push his own work forward. "Every job is still scary to me," he says. "I never know how I'm going to do it, or how it'll turn out. I've always been like that. I guess I'm a late bloomer."



Frank Gehry: "I guess I'm a late bloomer"

Syndication

Ballet in Paris

Opulence and bright flashes of bravura

Clement Crisp reviews 'La Bayadère' and the work of three women choreographers

Who would have thought that Ludwig Minkus (1826-1917), so often sniffily dismissed as the last purveyor of musical yard-goods to the imperial Ballet in Russia, would be the most performed composer in Paris as this year of grace ends? But so it is. The Opéra Ballet performs two ballets with Minkus scores in a grand - and concurrent - display of classic dancing. *La Bayadère* opened on Monday night at the Bastille with a run of 26 performances. *Don Quixote* enters the Garnier repertory on Christmas eve, and plays until mid-January. Both are in stagings by Rudolf



Gleaming artistry: Elizabeth Platel as Gamzatti in Nureyev's production of 'Le Bayadère'

six) was that of the premiere six years ago: Isabella Guérin, exquisitely in purity and emotion, as Nikiya; Elizabeth Platel, classical divinity no mask for the character's passions, as Gamzatti; Laurent Hilaire, noble in dance and vacillating in feeling, as Solor.

Guérin is both vulnerable and impulsive as the temple-dancer - this mad old spectaculaire is as serious about faithfulness as it is about classical dancing - and Platel and Hilaire are proof that clarity and grace of means can enhance dramatic force. The entire company is everywhere splendid. The *Djama* dance, no easy number to bring off well, I have never seen better done. The blessed Legion of the Shades was a marvel, pouring over the

Bastille's wonderful stage, and among the three excellent soloists a special word for Nathalie Aubin's feet, ravishing in shape, ravishingly used. French training, as we see throughout the troupe, insists upon feet that are both beautiful and expressive.

As a note in passing, let me urge anyone seeing this ballet to purchase the programme book. It is admirably designed, filled with information and insights, elegantly presented. Honour where honour is due: the ballet programmes are edited by the Opera's Josseline Le Bourhis, and they are to be treasured.

To precede it with Graham's early *Lamentation* does not help. It offers a girl a chance to have a hell of a time for three and a half minutes inside a steel-blue

jersey tube - she looks as if she's trying to undress for a bathe without anyone suspecting - and what Graham did in the old days does not bear up well today.

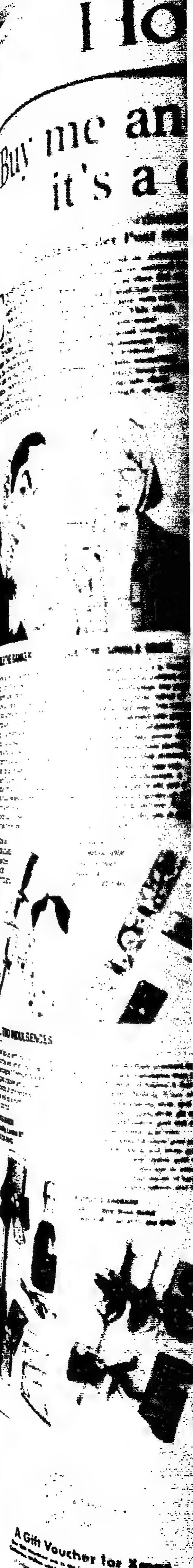
Odile Duboc's *Rhapsody in Blue* (Gershwin centenary celebrations are, I suspect, going to try our patience not a little) is an untidy example of dance having nothing to do with its score. (Duboc: a Mallard to Gershwin's. Golsud: their first exchange is "Ne me touchez pas")

There is complicated set which suggests that someone in the Opéra workshops is trying to build a space-station, and stupifying costumes which assume that black and white stripes cannot be over-used. They can. They are, in these vile outfits. The piece has a lethargic air.

Gershwin's rhapsody was very well played by Christine Laguerre and a jazz orchestra under Guillaume Tournière.

Happily, Pina Bausch's *Rite of Spring* ends the programme. This is a masterpiece of tribal drama as well as choreographic imagination - and it is performed with the most thrilling dedication by the Opera dancers. Running, cowering, falling in the earth that covers the stage (it looks like John Innes No. 2), they are transformed into primal beings. No praise can be too high for the way in which they show how the dance possesses them, and certainly none can be too high for Aurélie Dupont, as the Chosen One. Shaking with terror, racing from her fate, then accepting it, staring with unblinking

gaze at the drama, flinging herself to death, she is marvellous. (I had to remind myself that this was also the young ballerina whose debut in *Raymonda* spoke of such classic dignity last season.) This is an astonishing and heart-stirring interpretation from the whole ensemble.



How to Spend It

Buy me and pull one – it's a cracker!

The contents are co-ordinated with the depth of your pockets.
Lucia van der Post matches characters to creations

Crackers used to come strictly traditional, laden with the symbols that are an inextricable part of the dream of the Victorian family Christmas – all that bonhomie, that sumptuous excess, that dream world of perfect families and comfortable certainties. Crackers have long seemed to linger in that never-never land, refusing, as it were, to acknowledge that the

world has moved on. Attempts at modernity never seemed to work, centring as they did on brash colours and too blatant a disregard for their role on the Christmas table. This year, though, there are some... sensationally good crackers around which manage to look fresh and new without abandoning their historical roots. There have been serious attempts to upgrade their contents – though, as with

everything, you get what you pay for and high quality contents require high quality purses. For those for whom the only real Christmas is the old-fashioned one, there are still plenty of crackers around to choose from – Harrods, Selfridges, Heal's and many other stores have vast selections and always offer some in traditional mode, while those from the Victoria & Albert Museum and the National Trust,

naturally, pay due homage to their origins. Here I have chosen to explore the contents of some of the best of the crackers around – I've matched them to each of my imaginary cast of characters, Charlie, Sue, Joshua, Venetia and Araminta from last week, as well as Colonel Mannering from this week. In addition, there are two of the best of the rest.

Additional research by Neil Robert Wenman



CHARLIE THE BANKER

Charlie the banker and his wife are planning a family Christmas in the Wensworth house – his brother, her sister, one set of parents and a clutch of nieces and nephews will make up the Christmas table. Even though he's feeling a bit apprehensive about City cut-backs nothing cheap will do for Charlie, so this year, while he's got it, he's going to splash out on Rawick & Clemen's special handmade gold crackers. The contents are seriously desirable – little horn salt and mustard spoons, proper washable ear-rings and other tiny objects chosen from among the objects usually on sale in the shop. Three male, three female:

£190.00 for six
HENRICK & CLAEMEN
190 Ebury Street
London SW1.
Tel: 0171-734 8813.

SUE THE SINGLE MUM

For Sue, the single mum, it is Trizaram, her six-year-old son who matters most. Christmas looks a bit bleak this year as it is their first since Lionel, father of Trizaram, abandoned ship. The Conran Shop's colourful crackers with graphics from 1930s posters of European cities and some ironically plain brown name tags tied on with string look jauntily modern. The contents (mell scisors, small scented candle, an egg-cup, napkin ring, small kaleidoscope, a wooden panther, a pen-clip and a notebook/key-ring) are grown-up enough to impress a six-year-old boy. They are refreshingly free of junky bits of plastic toys that fall to bits.

£22.95 for six
THE CONRAN SHOP
81 Portman Road
London NW1.
Tel: 0171-888 7481.

JOSHUA

For Joshua – who spends his working life pondering the finer nuances of taste – how his table looks is a matter of the greatest import. He studies at the very notion of trend and plastic nasties – unless, of course, it is used in a thoroughly ironic, post-modern kind of way. For Christmas, he thinks he'll give it a miss, and go for crackers that speak of his taste. His sensitive aesthetics, his finely tuned perception of all that is currently à la mode. Jerry's Home Store's rigorously plain crackers in colours beautifully graduated from grey (so very fashionable) to deepest purple would complement his new square white plates – and, what's more, the contents (pencil sharpener, clip bag, mini car, notebook, padlock with keys, Knelling candle, car on a key-ring, pencils, plus the usual hats, soap and mottoes) are carefully colour co-ordinated, too.

£19.95 for six
HEAL'S
196 Tottenham Court Road
London W1.
Tel: 0171-636 1882.

ARAMINTA

Araminta is captivated by the serenity of the east, though she has yet to adopt its average annual income. Heal's has a box filled with Eastern promise that would add a touch of oriental spice to her calm and sultry dining room – in earthy colours of fuchsia pink, orange and red edged with gold and embellished with cinnamon sticks, the crackers remind her of nothing so much as an Indian bazaar. The contents will greatly please her – three fruit teas, an assortment of herb seeds, soap, a mini hairbrush on a key-ring, wooden golf tees, a spiral egg-cup, a checked handkerchief.

£19.95 for six
JERRY'S HOME STORE
163 Portman Road
London NW1.
Tel: 0171-501 6803.



AND... TWO INDULGENCES

For those fed-up with mini scissors, key rings and the like, what could be nicer than champagne? Fortnum & Mason does a gold cracker which hides a quarter bottle of champagne for £13.50 each, as well as a motto, balloon and hat.

FORTNUM & MASON
181 Piccadilly, London W1.
Tel: 0171-734 8813.

For those who like their crackers bling, bling and more impressive than the rest, then those from Asprey & Garrard would take some beating. A box of six filled with pink sterling silver and 18-carat gold presents (six silver gilt coffee spoons, 18-carat yellow gold foil cuff-links, 18-carat yellow gold mini photograph frame, 18-carat gold pen knife, 18-carat yellow and white gold link bracelet and 18-carat yellow gold money clip) all for £5,000. And just to show that they haven't lost their sense of fun, each cracker has a motto, balloon and hat.

ASPREY & GARRARD
165-167 New Bond Street
London W1. Tel: 0171-483 6767.



COLONEL MANNERING

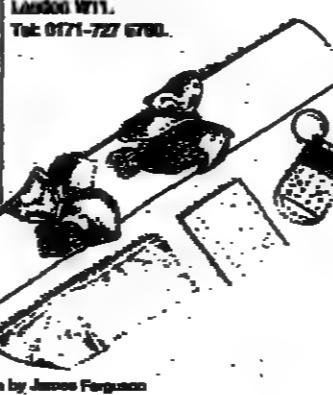
For Colonel Mannering, who loves the reassurance of things traditional, familiar and of a certain quality, nothing new-fangled or too peculiar will do. His table, after all, has been in the Mannering family for years and Mark's Antiques crackers would become it admirably. Suitably regal, inescapably reminiscent of the senior service, in navy blue and silver, each cracker is made individually with a specially chosen antique silver present finish. Prices range from £23.50 to £77 depending on the present (choose from thimbles, spoons, cuff-links, scissors, etc).

From £22.50 each
MARK'S ANTIQUES
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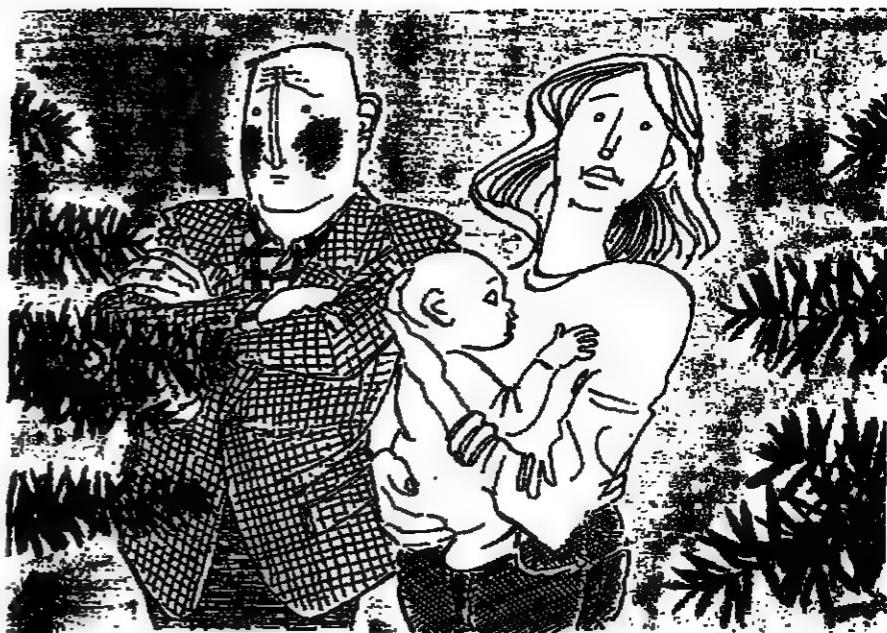
VENETIA

Venetia, who thinks that looking good is a full-time profession, and for whom labels are all-important, has been a serious worshipper at that Notting Hill shopper's shrine – The Cross. Nothing would please her more than to find on the Christmas table some crackers from The Cross – it combines originality (whoever knew they did that?) with the possibility of making a fashion statement. Plainly white, each cracker has fibres of a different hue and is clearly labelled The Cross for all to see. The contents are the sort of jokey kitschy things Venetia's set will love. A tartan handkerchief, poker dice, penknife, mini-calculator on key-ring, fruits and flowers bath salts and – the booby prize – a whoopee cushion.

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Loads of charm and music

Lucia van der Post completes her seasonal trawl for presents and solves archetypal problems

Colonel Mannering lives in the sort of house townies drool over in the ads in *Country Life*. Of course, they can't see the dodgy central heating or the dire 1950s wallpaper. But then Colonel Mannering grew up in the Manor and, apart from his years of absence during the war, he has scarcely lived anywhere else. He supposes everybody else is doing the same.

He seldom comes up to London but these days he's rather lost interest. "My clothes will see me out," he mutters, to the distress of his grandchildren, who love him dearly.

What to give him for Christmas takes their minds from the start of November onwards. He seems to have most things he wants. What he doesn't have he doesn't want. If the truth be told, he wants more of what he's got – some fine wine (if in doubt go to Berry Bros and Rudd – "can't beat 'em") but make it really fine since his digestion is beginning to trouble him. He's also very fond of whisky so a single malt – possibly a Tullibardine, aged 10 years, from Peetion & Clark (tel: 01206 397356) would go down well.

Routines obsess him. Give him a MicroMap viewer – it will make him feel all modern and yet is extremely useful. The MicroMap consists of a tiny viewer (£14.99) with a pack of cards (£9.99) – you slip a card (which is a map with small, about 20 cities and the whole of the UK road system is on them) into the viewer and it magnifies it many times. Stocked by The Leading Edge and the Conran Shop.

Smythson's is the sort of company he really loves – quality allied to user-friendly products. He is punctilious letter-writer, so more of his engraved stationery might seem dull but would be seriously useful AND give him a great deal of pleasure. It does a splendidly plain black leather cigar holder (holds two for just £28), which would cater for his after-dinner puff.

At family gatherings, after-dinner games and Scottish dancing are *de rigueur* – how else would the next generation learn to do The Dashing White Sergeant? The grandchildren might club together and buy him a truly beautiful chess set – David Linley's set of sycamore and ebony pieces comes in a walnut box with a leather chequer-board (£3,250 from David Linley, 60 Pimlico Road, London SW1, tel: 0171-730 7300).

These days, much to the irritation of his long-suffering wife, the Colonel tends

to potter down to breakfast in his dressing-gown. Please her by giving him something that charms the eye, lifts the spirits and keeps him warm – a dark green cashmere robe with royal blue satin piping from Sulka (£350, 18 Old Bond Street, London W1) or a navy version with a yellow polka dot (£1,800).

Janice is the nanny in whose hands the most hardened of boardroom tyrants becomes an anxious piece of putty. Without her, the household falls to pieces.

The urgent trip to the US, the vital boardroom meeting are all blown out of the window on the day she's had enough.

This means the Christmas present assumes an importance that is hard to overestimate. It will not make up for mean pay, overly long hours or a lack of general empathy but, as with all the best presents, it should oil the domestic wheels and give her pleasure. An extra week's salary as a "Christmas box" is a must but after that, it's imagination and taking trouble that are called for.

Nannies tend to be really young so keeping in touch with the trends may be tricky. If she's into clubbing, try to find out her favourite band before you buy the wrong CD. Nannies, spending most of their lives with the Marmite and fish-fingers set, love a label – CK, DKNY, Ralph Lauren – give the right kind of frisson.

Give her a treat she couldn't manage for herself – buy her as many treatments as you can afford at something like the Aveda Concept Salon at Harvey Nichols (tel: 0171-201 8810). A revitalising facial would give her an introduction to skin care. A Custom Facial at £25 (restores balance, recovers and soothes the skin) would be a boon if young Samantha or Daniel has been particularly treacherous. For the full works, add on a manicure (£22) and a pedicure (£22).

High-waisted T-shirts – the better to show off the pierced belly-button – are much in demand, but she also tends to love things she has seen in *Vogue*. A little something by Dosa or Elspeth Gibson or Matthew Williamson would be very spoiling if the bonuses have come rolling in. She also loves bedroom items – scented candles, or the big multi-wick square ones, an American quilt, the Ralph Lauren stars and stripes pillow (get it cheaper at the Bicester Village Ralph Lauren outlet shop).

Dinner for two at a top restaurant (The Pharmacy, for instance, is the Notting Hill nanny's eatery of choice).

Urban Outfitters is the shrine for nannies – here you can buy combat pants, cropped T-shirts, drawstring trousers made from sailcloth, which she will wear with platform tennis shoes. And music, loads of it. Just make sure it's cool and new.



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HOW TO SPEND IT

Rows of roses and black ribbed plastic

For the style-conscious, it is imperative to keep up with floral art. Lucia van der Post offers tips

Now that even supermarkets are doing some nice things with flowers, the leaders of the floral pack have to move faster. And nobody moves faster than Stephen Woodhams.

He is who did those much photographed pots and orchids, which are part of the defining image of The Hempel, Anouska Hempel's temple to minimalism. He is, too, who organises the dramatic floral concoctions that are so much a part of the style of Gordon Campbell-Gray's hotel, Number One Aldwych. He was the first (after the flower-sellers in the markets of Milan) to introduce the galvanised buckets which now appear in so many shops and catalogues. He was one of the earliest to send simple hand-tied bunches of flowers.

So anyone wanting an update on floral trends could do worse than keep an eye on what's happening at Number One Aldwych. In a word, it is "architectural" —

big bold blooms, sometimes just one or two, organised dramatically in a strong container, or sometimes organised in two or three layers (say one big amaryllis with some red tulips below it as a collar and below them a single ring of blood-red roses) are what he's doing now. For small rooms, he uses square bases with rows of roses — he tries to play on squares and lines to keep it graphic.

Those in search of a fresh new floral look to their home can now buy the props to do just that from the small but eminently chic shop that Woodhams has opened beside Number One Aldwych in the Aldwych, London WC1.

There are the simple galvanised containers, the plain (and immensely stylish) bone-coloured ceramic pots used at The Hempel, and then there are simple glass pots familiar from many a modish interior. Woodhams also sells all the props — the pebbles, the plain round large stones, the bulbs and oblong see-through boxes of

wonderful freeze-dried rose heads (£27 per box; they'd make a terrific Christmas present). Almost everything he sells is designed to be as trouble-free as possible: the clear boxes of freeze-dried roses could be planted just so on a coffee table; and he has devised sturdy square black ribbed plastic boxes in which he sells ready-organised arrangements which can be delivered and displayed exactly as they arrive.

Imitating the matchless

chic of The Hempel has been made as simple as counting beans. A single slipper orchid (not as extravagant as it sounds, given that if properly cared for they can last up to three months), in a glass pot surrounded by lavender scented for £15.

■ Those in need of visual inspiration should buy Stephen Woodhams' book *Flower Power*, published by Quadrille, £20. It is filled with graphic illustrations of his skills, as well as helpful instructions on how to achieve the authentic look.



Main picture: a strict row of brilliantly coloured tulips in a plain rectangular container. Clockwise, from top left: a typically graphic arrangement of tulips in a box; a square metal vase; a square ceramic pot; a collection of flowers in a black ribbed plastic box — packaging and container all in one.

An idiot-proof guide to gift-giving

Fashion pundit Vanessa Friedman shows perplexed males how to speak to their beloved's yearnings

Le's admit it: buying presents is hard. Giving someone you love a gift that surprises, indulges and speaks intimately to their inner yearnings is an art — and one at which most men are not particularly adept.

In the interests of the holiday spirit of sharing and peace at home as well as on earth, here is a gift-getting guide to help the perplexed male. Simply match the loved one with a recipient profile, select a budget, and buy.

1. The Jet-Setter — who has more frequent flyer

miles than lipsticks and can pack a garment bag in the time it takes most people to fold a sweater.

□ In the Stocking: Louis Vuitton's luscious red leather boxed set of seven country guides (£230). The latest on where to stay, eat, shop and sightsee in cities from Munich to Moscow (£20).

□ Under the Tree: Tania's

camel drawstring pouches (£350), the best trousers around for curling up in (first) class.

□ In the Stocking: Hermès leather mobile phone carrier (£135). Shows you are cool, calm and collected.

□ Under the Tree: Burberry's pinstriped tote bags (starting at £140). Dress up your documents.

□ Over the Top: Gucci's black wool coat-dress (£240),

brings the same sangfroid to the boardroom as the ballroom.

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HOW TO SPEND IT

Fashion

Beads leave black in the background

Embellishment used on traditional fabrics sets a new and exciting trend which is enormously versatile, writes Vanessa Friedman

You see them here, you see them there, you see them almost everywhere. You see them in the windows of Harvey Nichols and Liberty, at last week's Turner Prize and Titanic parties at the opening of John Dugdale's photo exhibition at Hamilton's Gallery. No, not the hairs of the Scarlet Pimpernel, but the LBD - the Little Beaded Dress. "B" doesn't just stand for black any more.

Indeed, these days the little beaded dress has almost replaced the little black dress as the stepping-out frock of choice. But I am not speaking of the all-over beaded extravaganzas that cry: "Look at me, I'm a Christmas tree!"

Rather it is the more restrained, day-to-evening, beading-as-detail, beaded dress (the one where the delicacy of beads is often displayed against a tough, workman-like fabric such as wool or felt). "But what's the difference?" you shrug. "It's still a little dress." Sure, but in a world where an inch of hemline can fill almost as many columns as the euro, the move from black to beaded is news.

"Using embellishment on traditional fabrics is a new, and quite modern, approach," says Françoise Tessier, fashion buyer of Brown's. "It renders an outfit enormously versatile: the same dress can work for day and night, and thus it works well in most busy women's lives." Black too, worked for day and night — but there's the similarity end.

Black, after all, is dour, traditional, safe; beaded is bright, individual and relatively daring. Beaded calls attention to the wearer because it catches the light (even candlelight); black makes the wearer fade into the background. Beaded is pretty and creates a mood; it can be both fanciful and futuristic. In the semiotics of fashion, the change in the meaning of LBD says something about attitudes.

But what exactly? There are differing takes on the trend. There is, for example, the millennial interpretation: we are bracing ourselves in for the all-out galas that will occur next winter, testing the waters of formal dress. There is the monetary view: as markets get dire, dresses get decorative (think Berlin in the 1920s). There is the Marxist outlook: old sar-

torial hierarchies have been smashed, and we no longer have to pay any attention to the rules. No white after Memorial day? Bah! No shade at work? Phooey!

However, it's a little less serious than that, as with most fashion. It has to do with enjoyment. Parties are fun, or at least they are supposed to be; so are beaded dresses. It's about time we started dressing accordingly.

And, heaven knows, there is a lot to choose from. Practically every collection in stores features at least one, if not many, beaded dresses, not to mention beaded separates: skirts, sweaters, vests, shoes. "There has been a real explosion this winter," observes Tessier, and as a result, there's a beaded item for every taste and type.

On the fun, fizzy side, there's Matthew Williamson's "Elixir" dress, a sleeveless cappuccino-coloured chiffon slip covered in swirling shapes from scoop neck to asymmetric hem (£1,050). A favourite with the Jada Jagger/Kate Moss set, Williamson is one of the young designers responsible for launching the beaded movement (another is Elspeth Gibson, whose caviar-beaded skirt has become so ubiquitous, it's the glittering equivalent of the white shirt).

"Our beading is done by hand," Williamson says, "and it lends the garments a specialised, individual appeal, and speaks of craft and artistry. People fall in love with that. Combined with a light silhouette, it's very contemporary."

Also covetable from Williamson's collection is a white cashmere vest with a single beaded snowflake (£265), and a silvery-blue silk-chiffon skirt dotted with smaller silver snowflakes (£680).

Then there's Clements Ribeiro's witty take on the Highland dress: a wool tartan shift embroidered at hem and neckline with sparkling green beads (£265). It's simple, smart and original, not to mention appropriate for Christmas. "A recurring theme of ours is to use couture touches, but in a modern, evolutionary way," says Inacio Ribeiro. "This season, that meant the delicate hand-work of beading married to a sturdy, almost tribal, fabric.

"Beading is really the opposite of the minimalism which was so prevalent in

the early 1990s, and which was very easy to imitate on a large industrial scale. Beading retains a certain aura of humanity, and allows a woman to express her personality. It asks you to be up, without being too precious about it."

A similar appeal can be found in Alberta Ferretti's loden-flecked wool dress with spare graphic green beading (£387); plain enough for day, sparkly enough for night. Ferretti also offers a very formal, romantic, spaghetti strap chiffon, all-over beaded slip (£1,210), and in the Ph

Practically every store collection features at least one beaded dress

Josophy line, a skirt and top (£222 and £146 respectively) with lines of diamante beading under an organza overlay that lend subtle sparkle.

Just as subtle is Nicole Farhi's lovely silk slip dress (also available as a skirt) with a few diagonal lines of beaded criss-crossing on the front (£495), and Ghost's mauve viscose slip with slashings of sequins (£270). Throw a cashmere jumper or pashmina on top, and there's nowhere you can go.

For purists, there's Hussein Chalayan's red jersey slip with a gyroscopic wave of gold beading twisting down the centre (£275), and Cerruti Arte's grey wool and cashmere dress with silver beaded "staples" along the seams (£270) — clothes which prove that beads can be the antithesis of ornate.

Meanwhile, Narciso Rodriguez's signature cashmere beaded knit epitomises the



Left: long red silk dress with diagonal beading, £495, by Nicole Farhi. Above, clockwise from left: green flocked wool dress with green beading, £387, by Alberta Ferretti. Cappuccino-coloured beaded slip with asymmetric hem, £1,050, by Matthew Williamson. Red jersey slip with central gold beading, £275, by Hussein Chalayan. Tartan wool shirt with beaded neckline and hem, £492, by Clements Ribeiro.

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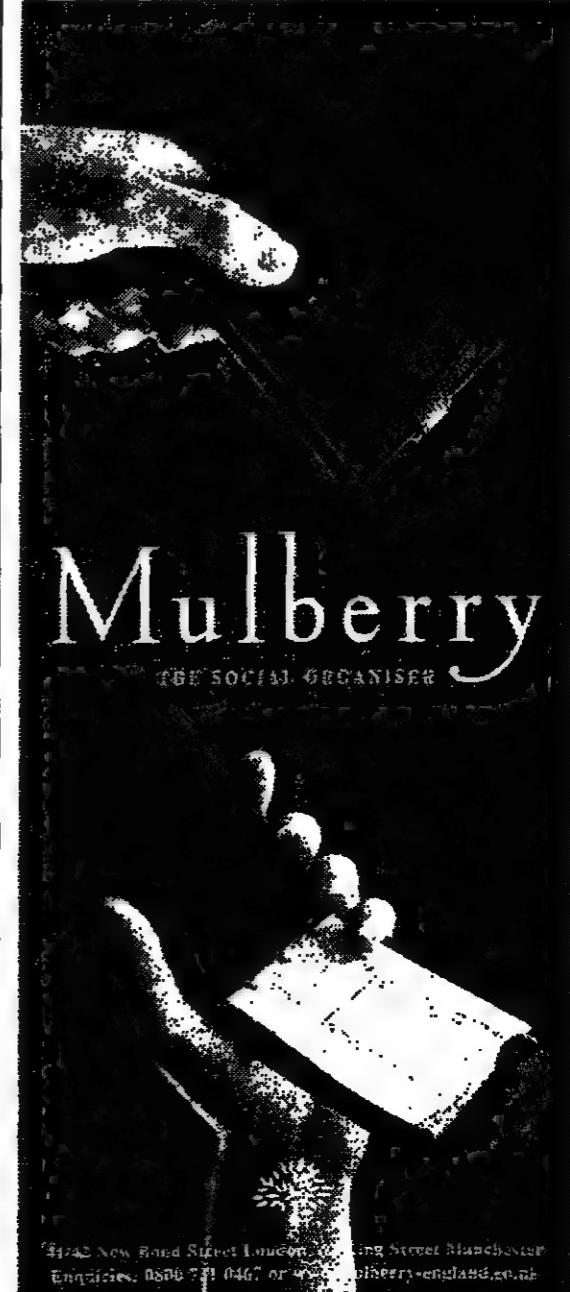
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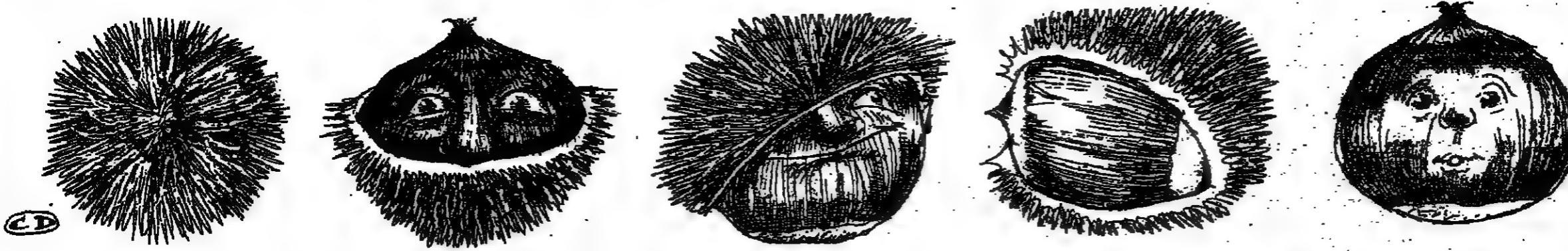
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FOOD AND DRINK



Cookery

Hard nut is inconvenient but worth cracking

In a two-part series on chestnuts, Philippa Davenport looks first at harvesting and selling them in France

If you make a pork and chestnut stuffing, braise chestnuts with shallots, or sauté chestnuts to serve with Brussels sprouts this Christmas, it may be, it just may be, that you will use nuts harvested by my own fair hands.

The chestnut is one of the world's most inconvenient foods, the fruit being imprisoned within two glove-tight skins (one pithily bitter, the other a shiny brown casing) overwrapped by a green hedgehog husk; triple-layered protective clothing the nut is reluctant to relinquish except for prodding.

No wonder squirrels concentrate on hazels, beechnuts and walnuts. No wonder only the most persistently greedy cooks bother to try to break into them.

Nothing can equal the texture and taste of fine, fresh, hot roasted chestnuts with their distinctive and intense savoury smell, rich meaty bite and toffee-coloured singes splattering the creamy kernels. But preparing them is seen as a labour of love that few are now willing to undertake.

Increasingly, cooks today buy ready-prepared chestnuts, and the brand that is moving up the UK popularity charts at a rate of knots is Ponthier, imported from France under the Merchant Gourmet label.

Monsieur André Ponthier, his wife, son and daughter-in-law are committed to consistent high quality. They insist on perfectly fresh, wholesome nuts of a certain size. They say that the small ones are acceptable for industrial jams; very large ones tend to lack much flavour.

They buy carefully and check and recheck the product at every stage of washing, roasting, peeling and vacuum-packing to eliminate the risk of discoloured, poorly textured, broken, discoloured, deeply creviced, badly peeled or otherwise sub-standard nuts going into the marketplace in their name.

Their chestnuts come from the aptly named Châtigneraie, or chestnut grove, region, which straddles the Auvergne, Lot and Corrèze, an area of singular beauty (and poverty until the mid-1950s). About 100 years ago, the chestnut tree was known in the Auvergne as the tree of life, its fruit the main food of the people and their animals for six months of the year.

Potatoes were saved until the chestnut crop was finished; the tubers might be sprouting by then but they were eaten nonetheless.

Chestnuts were dried and ground as flour, or eaten straight from store, peeled at night to serve next day, cooked in milk for breakfast, and again at mid-

day, with bread and cheese or vegetables for supper, as I learned from a beautifully written, charming and richly informative portrait of a small community, *Mourjou, the Life and Food of an Auvergne Village* by Peter Graham, published this summer by Viking.

This year has been a good one for chestnuts. The flowers flourished and the fruit set well, untroubled by frosts. July and August were suitably hot, with plenty of rain at the end of August to swell the meat. A final burst of ripening heat during the vital last 10-15 days before harvest ensured good calibre and quality.

Some varieties are ready earlier than others of course, but the harvesting season peaks between mid-October and mid-November. Husks begin to gape on the tree signal readiness. Chestnuts are never picked from the tree

agent calls with a lorry every two days to examine, price and pick up the latest offerings. One of their barns also serves as a collection point for chestnuts gathered by other *éleveurs* in the vicinity. In it 100 or so bulging sacks stand to attention, open-necked and ready for inspection, a pencilled note tucked into each giving the weight of the contents and the *éleveur's* name.

While I admire the *potoyer*, hatches of fat rabbits, wire-netted maize larders, and slatted racks tilted like sunbeds curing walnuts in the autumn sun, a blue-bereted *septuagenerian* arrives in a Citroën 2CV and unloads the sacks of chestnuts he and his wife have gathered that day, 187 kilos according to the scales. Madame writes out tickets accordingly and tucks them into the sacks. A duplicate record is noted in an exercise book, with blank spaces left for inserting Ponthier's price and date of payment.

The bulk of trading takes place in market towns where rival processors, packagers and grocery wholesalers vie to buy from individual growers and collectors. Business begins at 6am in Mauzé every Thursday and Sunday throughout the harvesting season when the big buyers' lorries roll into the square where chestnut vendors are ranged to the left, walnut sellers to the right, the left, walnut sellers to the right.

It is the strangest auction I have ever attended. Dealings are swift. Barely a word is exchanged.

A gesture invites a potential buyer to view goods for sale. Ponthier's agent Michel Delpech, nicknamed Le Tueur and proud of it, stuns his torch into the first sack of the car nearest his lorry, dips deep, ruffles through his fingers and bites into a couple to examine the interior. He scrawls a figure on a piece of paper and hands it to the vendor - this is the price he will pay per kilo if the quality of all the produce matches the samples taken. The vendor nods agreement and Le Tueur moves on.

The second vendor snarls disapproval, refusing the (lower) price he is offered. "He hopes to be offered more by another buyer," Le Tueur explains, "but more is unlikely. The quality is not as good as he makes out. I have noted his reaction. I will come back later and offer him a lower price still." I am glad I have nothing to sell.

Le Tueur's father is less brusque. He may even spare time for a word of chat. I ask why he cuts sample nuts with a knife instead of biting them - "sometimes he cuts us up too," interjects a vendor cheerfully. He

'I ask why he cuts sample nuts instead of biting them. He replies that raw chestnuts are not false-teeth-friendly'

but they must be gathered from the ground soon after falling to avoid mould or insect attack. Freshness is all. A good price is exchanged.

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smiles and replies that raw chestnuts are not false-teeth-friendly.

Later, I am hoisted up into the Ponthier tunnel lorry. Vendors who have accepted the base price scrawled on their bits of paper queue alongside the lorry with their sacks. Apart from what looks like a female wrestler in her 30s, all the vendors are men, none under 50, many over 70.

"Chestnutting is too much hard work for today's young."

they tell me. Holding their paper promises behind their teeth, they heave their sacks on to the scales in turn. The contents are poured out slowly. Le Tueur watches like a hawk, fingering the chestnut stream as it rains down. The other sacks follow and, providing the standard is as expected, the vendor will get the agreed price.

Sometimes a half-poured sack is pushed aside. Le Tueur strides

Chestnuts chez moi

Fresh chestnuts roasted at home remain the greatest treat - and they are not unduly hard work if everyone peels their own. The easiest way to roast them is on top of the stove in a heavy iron pan. (I use an old frying pan that has become a little too warped to fry foods to perfection.)

Choose the nuts carefully and make a slit in the shell of each to prevent explosions. Put a batch into the pan and cook slowly and patiently over moderate heat, turning from time to time until the shiny coats turn dull and dry all over and begin to curl and shrink from the kernels, pulling the bitter brown pith with them. When the nuts are blackened here and there and the hot roast smell becomes so unbearable delicious that you feel sure they must be done, tip them into a basket. Give everyone thick napkins and let them tuck in while the next batch cooks.

I recommend dabbing peeled chestnuts with knobs of best butter and a mini-scrunch of Madelon salt. Wine, good bread, pheasant paté, a green salad, cheese and a bowl of clementines will complete the kitchen table picnic.

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Sometimes a half-poured sack is pushed aside. Le Tueur strides

to the mouth of the lorry and shouts his disgust at the upturned faces below. "Whose is this?" he cries. "Take it back. No sale." If the sin is not too heinous he may simply reduce the agreed price. If the chestnuts are, for example, good quality but ungraded, they can be sorted in the factory and the small ones sold on.

He is deeply angered by the sight of chestnuts with airholes and dull coats (signs that the nuts have lain around between falling ripe from the tree and picking up) and gravely displeased by the presence of sticks and leaves.

When really furious he has been known to empty sacks into the street. "You have to be hard to keep up standards," he tells

Madame Ponthier's chestnuts

When I asked Madame Ponthier how she serves her own vac-packed roast chestnuts, she said: "I just heat them through thoroughly in a bain-marie or microwave oven.

"I add no butter or other finishing touches; I serve them simply as they are, in tandem with deep-fried slices of cap mushrooms, ideal accompaniments for game. I dare say they would prove much appreciated partners for roast turkey, too."

me. Occasionally, very occasionally I suspect, pour encourager les autres, he announces to the crowd that someone's chestnuts are higher quality than anticipated. They warrant a higher price than predicted and the paper promise is adjusted upwards accordingly.

A small table in a nearby bar-restaurant is commanded by a restaurant is commanded by a pay-desk. Transactions agreed, the vendors repair there to exchange their pieces of paper for cheques. Some stay to breakfast, then they go home to do the milking. I am whisked off to the chestnut fair at Mourjou, a lively village autumn jamboree. Chestnut heaven. *Il vous le détour.*

NEXT WEEK: marrons glacés and other sweet chestnut treats

The spirit of Christmas past

...or the tale of how absinthe makes the heart grow fonder. By Peter Millar

even, potentially, suicide.

The one thing it does not do - at least not any more than any other concentrated alcoholic drink - is directly damage your optic nerve.

Absinthe is making a comeback. Britain, so obsessively restricted on its citizens in so many other respects, curiously never got around to making absinthe illegal. Given that almost everyone else did, it hardly mattered.

The very word "absinthe"

conjures up the world of fin de siècle Paris peopled by a Bohemian mélange of louche débauchés: Baudelaire was a fan, Verlaine made the underground Rimbaud tight on it, Van Gogh drank it - and they have cut off his ear under the influence.

It used to cause hallucinations, madness,

the communism era.

Absinthe's origins go back to the Middle Ages when monks used wormwood to cure kidney stones. One key constituent of wormwood is thujone, which, in large doses, causes renal failure and is reputed to be poisonous to the brain. There are those who firmly believe that a little poison is good for us.

The drink that became de

nique in fashionable Paris at

the turn of the century was first

concocted around the time of

the French revolution, allegedly

by Dr Pierre Ordinaire

(whose name sounds

suspiciously apocryphal).

It was in 1797 that it was taken up by a

man whose own name would be made much more famous by the drink: Henri-Louis Pernod.

Pernod set up the first commercial distillery producing the liqueur that Doris Lessing, author of *Absinthe: The Cocaine of the 19th Century*, describes as a "bitter potent drink, with... the leaves of the plant wormwood with plants such as angelica root, fennel, coriander, hyssop and marjoram and spices for flavour".

The one thing that no one has

ever accused absinthe of is being "nice". Coloured by the plant-derived chlorophyll it contained, absinthe was known as *la feu verte*, the green fairy, or the green goddess" in a poem of praise penned by Alister

MacLaren.

The drink that became de

nique will not with a wry

grince, is a spoon. Not just any

spoon but une cuillère percée, a

teaspoon-sized equivalent of the

thing you use to serve vegetables, but such was its

position in the cult that the finest silver was worked into filigree patterns.

It held a sugar lump, an essential antidote to the bitterness, which was dissolved into the drink by droplets of water, often from elaborate dispensers.

Yes, there are cocktails -

Toulouse-Lautrec famously mixed it with cognac and called the result a *tremblement de terre* (did the earth move for you?) - but nothing approaches the original.

The first essential, heroin

addicts will note with a wry

grince, is a spoon. Not just any

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thing you use to serve vegetables, but such was its

position in the cult that the finest silver was worked into filigree patterns.

Cesar Wilde, another absinthe enthusiast, said: "The first stage is like ordinary drinking, the second when you begin to see monstrous and cruel things, but if you can persevere you will enter in upon the third stage where you see things that you want to see, wonderful curious things."

Picasso adored it - which may explain a few things - but absinthe's sinister elitist reputation is modern. At the time, it was the great leveller of Parisian life. Popularised by the troops returning from the first Algerian war, it was, literally, the opium of the masses. The arcane absinthe ritual was as familiar to the French as making a cuppa was to the English.

Absinthe, not coffee, was the key to café society.

But do not tell that to the cocktail clique. "Common" sense is the least fashionable of all. Now, what's your poison?

Philips ID

FOOD AND DRINK



This week the best bottles of anything from Britain's independent wine merchants - except still red wines which I surveyed last week. Order straight away to stand a chance of delivery by Christmas. Next week I will pick some last-minute bargains from the chains and supermarkets.

Again, wines with a * are especially recommended.

House wines

(See also next week's guide.)

Sauvage 1997 Fasoli Gino £5.35 VR. Lively, apple-scented wine with real fruity core (no pips) and lots of life and grip. Organic. Ch Tour des Gendres 1996 Bergerac £5.75 BBR, L&S. 1997 25.49 GWW. Gentle, mouthfilling, slightly honeyed white reminiscent of lime marmalade. Streets ahead of most white bordeaux at the same price.

Schaetzel Alsace wines from GWW £4.59 - £5.99.

Aperitif/party wines

Lofthouse Sauvignon Blanc 1998 Marlborough £6.95 C&B. Sleek New Zealand without a hint of aggressive asparagus or excess of grassiness made by Rod and Di Lofthouse from England.

Domaine de l'Aigle Tradition £7.99 C Piper. Painstakingly-made answer to champagne (including first fermentation in oak) from the foothills of the Pyrenees. Artisanal, very slightly rustic but bone dry and chock full of sincerity. Would make a thoroughly superior Buck's Fizz.

Lirac Cuvee de la Reine des Bals 1997 Dom de la Mordorée £9.95 L&S. What a thrill to see the southern Rhône producing nervy, exciting whites at last. This blend of Marsanne, Viognier and Grenache Blanc smells of pears and quince and is both refreshing and interesting.

Veuve Dalceny £9.95 Bib. For snobs I have tasted worse champagnes, but I would rather drink a second glass of Green Angel 1998 Australian Bib whisky available at about £11.50.

Laytons (London NW1 0171-366 4877 find SW1) and Tanners Reserve own label champagnes are easy on the palate and currently cost £11.95 and £14.95 respectively.

Delamotte NV £14.95 C&B. Extremely acceptable champagnes at the price, made by a house owned by Laurent Perrier.

Special fizz - tipples for Christmas morn

Many deals are available from the chains and supermarkets but Townsend of Hull (01482 536563) is taking a stand against the fierce mark-ups levied on big name champagnes. Orders must be for at least 12 bottles of champagne (which may be mixed) and delivery outside their area is £3.25 a case, but Townsend's non-vintage bargains include Pommery £13.95, Pol Roger £14.25, Veuve Clicquot £16.75 and Bollinger £18.55. The following are some independent specialities.

Duval-Leroy Fleur de Champagne 1990 £18.75 Rodney Densum of Nantwich 01270 826889. Stepmother of Nelson 01260 598257. Dense and appetising.

Billecart Salmon Brut £19.49 Savage. A special all-Chardonnay cuvée blended for this excellent house's first British importer, one of the country's most fastidious palates. Fun now or later.

Delamotte Blanc de Blancs 1990 C&B. £21.55 Grand cru fruit fashioned into a gentle, almost soft, delightfully approachable vintage champagne.

Vilmart Grand Cellier NV £21.90 Gauntlets. Best-value wine from this insider's favourite: a very deep-flavoured, Chardonnay-dominated wine.

Dom Pérignon 1990. Widely available at £50 to £60. Gold plated luxury: a particularly successful vintage.

For those who drop in unexpectedly

Any fine German wine, of which J&B has a particularly fine selection.

Anjou, Haut de la Garde 1997 Ch Pierre Blise £7.75 L&S. Marvelous, open, charming white of



Wines / Jancis Robinson

Sherry? White wine? Bubbly? Port? Take your pick

15 per cent alcohol which some tasters will reject simply because the piercing acidity is counterbalanced by the sweetness of seriously ripe Chenin Blanc. Now or later.

Brauneberger Juiffer-Sonne-muth Riesling Kabinett 1996 Fritz Haag £9.94 L&W. Sorry about the name: the wine is much easier to assimilate. Crystal clear and only 8 per cent alcohol. Ideal for bracing mid-afternoon sipping, or stash it away in the cellar for five or 10 years...

Zeltinger Sonnenthal Riesling Spatlese 1996 about £12 M&V. Fournier & Mason, Selfridges, Butlers of Brighton. Nutty, smoky, full, soft and delicious - but not with food.

More palate sharpeners

Sherry is perfect and most is seriously underpriced. Virtually any sherry from Lustau is worth trying.

La Gitana Manzanilla £2.04 halfL&W, £3.25 Tanners, £3.45 Adnams, £3.50 Bib. The quintessential appetiser. Sherry at its tangiest.

Jerez Cortado Hidalgo El Tannery £9.95 Adnams. Beautifully soft, aged, dry sherry. Great aperitif. Good with hot soup and cold meat, too.

For casual entertaining

Picot Blanco 1997 Druus £7.77 ABA. Elderflower-scented, racy fino wine that would be an excellent substitute for Sancerre.

Monte Alto Sauvage Classico 1997 Ca'Rugate £7.95 V&C. What a shock for anyone expecting regular Sauvage. This full-bodied, perfectly composed, confident wine, was fermented in new oak and is still quite oaky, but the oak is more than compensated for by luscious fruit and floral, lime-like

scents. An eloquent argument for spending that little bit more.

Albariño, Lagar de Carvera 1997, Rias Baixas £2.30 L&W. Zippy, green and reviving New Zealander.

Gewürztraminer 1996 Bruno Sory £2.50 BBR. Excellent depth in a full, aromatic Alsace wine with hints of smoked bacon and gingerbread; not one of the many vapid, air-fresher models. Great with smoked fish.

Mâcon Villages, Tete du Cuveé 1996 Verget £2.55 L&W, £3.99 Uncorked. One of the more approachable 1996 offerings from Il Maestro Jean-Marc Gutfens. Much tauter than the average Mâcon, like a cross between Mâcon and Chablis, and with a much longer future ahead of it. Good value.

Mâcon Clos Quintaine 1997 Guillemet-Michel £9.50. Open, luxuriant, welcoming white burgundy with some depth, too.

Terre Rosse Pinot Grigio 1996 Vallandri £3.80 Wine Treasury. More like an Alsace Pinot Gris than the Italian Pinot Grigio norm: full and dramatic.

Givry Clos des Vignes Rondes 1996 Francois Lummel £10.95 L&S. Sleek, almost lean, but perfectly pure, lemony and 1996. Would keep well.

Grand entertaining

The racy, age-worthy 1996 white burgundies currently on sale should age beautifully in bottle.

Monte Alto Sauvage Classico 1997 Ca'Rugate £7.95 V&C. What a shock for anyone expecting regular Sauvage. This full-bodied,

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Key to the wine cellar

ABA

Adam Bancroft Associates, London SW8 0171-793 1902

Adnams

of Southwold 01502-727222

BBR

Berry Bros & Rudd, London SW1 0171-396 9500

BIB

and Burlington

C&B

Bibendum Wines, London NW1 0171-722 5577

E Pope

Corney & Barrow, London EC1 0171-281 4051

F&P

and W1 plus regional outlets

Hedgehog

Elbridge Pope, Dorchester 01305-255348 with Wine Libraries in London EC3 and SW1 and Exeter

HMV

of Nottingham 0115-9110657

IWS

Great Western Wines, Bath 01225-222200

J&B

Justerini & Brooks, London SW1 0171-403 0721

K&S

and Edinburgh 0131-317 8300

L&W

Les & Sandeman of London SW10 0171-378 4787, W8 and SW15

LRW

Lay & Wheeler of Colchester 01206-784446

M&P

Philips and Swiggott of London SW11 0171-624 4494

MS

Christopher Piper, Ottery St Mary, Devon 0140-814139

SW1

Savage Selection

Tanners

of Shrewsbury 01743-234500

Uncorked

London EC2 0171-828 5999

V&C

Valvona & Crolla of Edinburgh 0131 566 5088

VR

Vintage Roots, organic wine specialist of Berkshire 018-976 1999

Wine Treasury

London SW8 0171-793 9999 Those who pay £20 to join its 'syndicate' get 25 per cent off list prices

NY

Noel Young of Cambridge 01223-544744

Y

ducers from an extremely fine vintage. To drink or, preferably, lay down to astound your wine-loving friends in a decade or so.

Pouilly Fuisse aux Chailoux 1997 J-M Drouin £13.85 Wine Treasury. Very fat and rich; almost Californian in its broad appeal.

Devil's Lair Chardonnay 1997 £13.85 ABA. Ideally for keeping, which is more than you can say about most Australian Chardonnays. Cool and restrained.

*St Aubin Premier Cru en Ramilly 1997 Olivier Leflaive £13.92 C&B. Perfectly delightful, delicate Côte de Beaune already charming.

Berry's Puligny-Montrachet 1998 £14.80 BBR. Good value village wine from dependable Gérard Chavy reduced from £25.95 until the end of the year.

Meursault Narvaux 1996 B Bacheler £14.85 C Piper. Attractively spicy, relatively open white burgundy.

Riesling Furstenberg Vieilles Vignes 1996 Blanc £16.95 Adnams. Rich yet racy Alsace Grand Cru with grip and the sort of sweetness to stand up to onion tart. Go for the Schlossberg 1996 at £17.95 if you want something more austere, for now or the last few years.

Chassagne Montrachet Premier Cru Les Vergers 1996 Fernand & Laurent Pillot £19.95 L&S. Where the Meursault is broad, this is razor sharp and sinewy and deeply exciting in a greenage sort of way.

Condrieu 1997 F Villard £22.90 ABA. Very fine, concentrated, savoury style with more ageing potential than most. Three different bottlings of which Poncins is the richest and Fallon the most elegant.

Meursault Charmes 1996 Denis Boussey £26.95 Uncorked. Already some attractive development on the nose in this smoky, fine-textured classic.

*Pahlmeyer Chardonnay 1995 Napa Valley £23.49 Reid 01761-452645. Pure seduction.

Treats
If you don't serve sweet wines at this time of year, when will you? The fringe regions of Bordeaux - Monbazillac, Saussignac *et al* - are where the action is.

Tirecul Le Gravière was the locomotive (originally imported by L&S and now on brokers' lists), but its superlative, painstaking influence is spreading itself as benevolently as noble rot itself.

Muscat de St Jean de Minervois 1998 Ferme Batut £12.95 Pavilion Wines 0171-628 8224. The best producer of this useful appellation, with depth as well as scent. Just the sort of thing for a noisy Christmas lunch.

*Coteaux de Layon, Clos Ste Catherine 1996 Dom Baumard 21.22 E-Pope. Rich, lively, lovely, already gorgeous, like uncouth wine jelly. Would be a really reviving lift at the end of a meal.

Tokay Aszu 4 Puttonas 1978 50cl £26.90 Savage. An extremely outré Slovakian wine. Refreshingly homespun answer to the modern marvels being made across the border in Hungary's revitalised Tokaj area.

Clos d'Yvigne 1985 Saussignac 50cl £9.95 J&B. Quite extraordinarily sweet and open and therefore ready to lap up with all sorts of puddings straightforwardly.

Coteaux du Layon Beaulieu l'Anciale SGN 1996 Ch de Pierre Bise 50cl £10.95 L&S. Zap! This wine already throbs with sweetness and spine but is clearly built to last for years.

*Saussignac Coup de Coeur 1995 Ch Richard Soie 21.50 VR. Wonderful. Truly exciting wine made in the image of first growth Sauternes but excitingly easy to enjoy now. Great combo of the nerviness of botrytis, the luxury of new oak and the ripeness of pears in honey.

I Capitelli Recioto di Soave 1996 Anselmi 37.5cl £9.95 V&C. Lovely intensity of ripe fruit and apple peel with hints of candied peel on the finish. Best with nuts, cheese or simply candlelight.

Ch Tirecul Le Gravière 1994 50cl £14.50 J&B. Quite delightful, delicate Côte de Beaune already charming.

Berry's Puligny-Montrachet 1998 £14.80 BBR. Good value village wine from dependable Gérard Chavy reduced from £25.95 until the end of the year.

Kracher Austrian sweet wines, from £10.95 a half J&B for a blended Beerenauslese 1995. Zwischen den Seen Bouvier-Muskat TBA 1996, another Kracher, is £16 NY: deep-flavoured, tingly, with real class

FOOD AND DRINK



rent for
winter
getaway

For most of the 1990s Conran Restaurants has epitomised the advance in British design and cooking standards as well as the UK's greater interest in the pleasures of the table.

Couren and Paul Hamlyn initially put chef Simon Hopkinson in charge of the kitchens at Bibendum in south-west London. Then the company went on to open Le Pont de la Tour with its new angle on Tower Bridge; to design the provocative steps leading down to Quaglino's dining area; and to let you watch all the workings of Mezzo's Kitchen through a huge glass wall.

Perhaps it was all too good to last. Certainly I have not overly enjoyed their last two West End openings, Zinz Bar and the over-themmed Sartoria, but I was genuinely excited when I first saw Coq d'Argent, above No 1 Poultry in the City, and then heard that the next venture was to be Alcazar, an old night-club on Paris's Left Bank.

Coq d'Argent is a fine location while the timing of Alcazar's opening appeared immaculate –

Let down in London and Paris

Two new offerings from the Conran empire leave Nicholas Lander disappointed

just when British food and cooking were finally being taken seriously by the rest of the world.

Sadly, on closer inspection, both disappointed.

The Anglo-French party I dined with at Alcazar left disappointed and bemused. Just what all I wondered, is this restaurant trying to be? Is this the new, dynamic face of British restaurants striking out in Paris's heartland? If so, why is the chef French? Why is there so little British produce on the menu? Why does it incorporate so little of the dynamism and fun of the earlier restaurants?

If, however, this is a British version of La Coupole, Le Dôme and Lipp – as seems to be the case from the conservative menu and dull wine list – why bother? Neither the cooking, nor the design, nor the atmosphere at Alcazar give these admittedly

much older brasseries a run for their money.

Anyone acquainted with Conran's London restaurants will find reminders in Alcazar's interior. The skyline is similar to Bibendum; there is the familiar crustacean bar at the far end as well as angled mirrors along the walls (as in Quaglino's), while the long glass wall separating kitchen and restaurant is straight out of Mezzo. Neither the restaurant chairs, nor the chairs on the bar tables on the first floor are too comfortable, while the banquets are fine.

The British contingent naturally wanted to eat French but of all the dishes we tried only an extremely fresh salad of raw tuna was original and memorable. The others – half a dozen oysters, a fillet of cod, a grilled entrecôte and a braised cheek of beef – were merely ordinary.

What was downright poor, and would have sent the chef to the back of any culinary class, was his rendition of the classic *pot au feu*. Chopping the vegetables rather than leaving them whole and thickening the sauce with egg and cream adds nothing to this dish.

Our French friends naturally wanted to eat British. They had heard that even Michelin-starred Alain Ducasse serves Colston Bassett Stilton on his cheese trolley and they promptly ordered an excellent first course of Loch Fyne smoked salmon with *crème fraîche* and *crumble*.

The salmon, they pronounced, was much better than the Norwegian version usually found in Parisian brasseries. After that they were stuck for choice. There

was nothing original or British or, in fact, any modern British interpretation of French classics to tempt them. There was no Lancashire hotpot, for example, even on a cold November day; no cheeses other than French, and the desserts – tarts, *patissons* or chocolate and fresh fruit – were predictable.

One Parisian restaurateur I spoke to was disappointed. "I have enjoyed eating in Conran's London restaurants," he said, "and here I was expecting the same sense of fun. Perhaps even a 'froglie' manna that slightly poked fun at us with frog's legs, *à la rosbif* with pomme purée and *le crumble* [a current Parisian favourite] to finish. But there is nothing like that."

Thanks to Conran's genius for self-publicity, Alcazar will be busy for the immediate future. But in Paris, a city of 1,000 brasseries –

flavours that warm the cockles of so many Burgundian hearts. This tasted as though it were *coq au vin à la minute*.

What also bothered me about this menu was the choice of vegetables on offer: haricots verts, buttered spinach or braised endives with walnuts. Surely there should be someone – dare I say a restaurateur? – pointing out to these chefs that not every vegetable, even in the deep mid-winter, has to be green.

It appears that Conran Restaurants, and consequently its customers, are suffering in the transition from a collection of places that were regarded as "a string of pearls" to the multi-unit group that appears to be Conran's personal goal. Standards have undoubtedly slipped, partly perhaps because its former managing director is now in Manhattan planning a restaurant which will open there late next year.

■ Alcazar, 62 rue Macorine, Paris 8th, tel: +33 55 24 02 02. Open all week. Set menu FF180. ■ Coq d'Argent, No 1 Poultry, London EC2, tel: 0171-885 5000. Closed Sat lunch and Sunday.

Chefs

Class from Ducasse

Nicholas Lander prepares for the latest offensive from a Michelin master

Since winning his sixth Michelin star, chef Alain Ducasse does not seem to have stopped working and travelling.

I caught up with him for a brief lunch in Paris last month. He had just flown in from Singapore and 48 hours later was due to fly on to Los Angeles – but he still had time to talk excitedly about his Italian restaurant, Il Corallo, in rue Cambon, in the

first arrondissement, and his latest book, *Flavours of France* (£30 in the UK and available from Books for Cooks, London W1, tel: 0171-231 1862, fax 1817). He had just flown in from Singapore and 48 hours later was due to fly on to Los Angeles – but he still had time to talk excitedly about his Italian restaurant, Il Corallo, in rue Cambon, in the

8th (+33 40 76 34 44). It will be his least expensive restaurant to date with main courses averaging FF140 (£24.80). Equally impressive – if not shocking by French standards – will be the wine list, overwhelmingly drawn from top producers around the world with only 10 per cent of the wines coming from France.

■ *Il Corallo*, 37 rue Cambon (tel +33 55 45 67).

■ *Flavours of France* (264

pages) is published in the US by Artisan and costs \$50 until the year end and from then £30.

■ Two restaurants in Paris's 8th arrondissement, not far from Gare du Nord and Eurostar, are offering exciting food and extraordinary value for money.

Casa Olympique and Petrelle are small – the former seats no more than 40, while the latter has no more than nine

tables – and you must book well in advance for either.

Casa Olympique is the latest home of Olympique Versini, who, having won two Michelin stars in the past, has settled for a simpler style of food – her present three-course menu, with a few supplements, is FF190. But what generosity and flavours in a bright yellow

soup of pumpkins and mussels; an ox-tail terrine; a lip-smacking ox cheek cooked for not a minute less than the stipulated seven hours and, to finish, a heavenly *blanc manger* with diced almonds.

Whereas Olympique is one long, narrow room, Petrelle is small and rectangular and has been lovingly transformed by the staff of two – one waiter and the chef – with the help of carefully chosen prints and antiques, mostly with a food and wine theme.

This is just the place for an intimate dinner as the food and service are so personal. There is a great wine list with a string of remarkably inexpensive 1982 claretts. I found it difficult to believe that just one man – on his own – was producing such wonderful flavours. Try the marinated, wafer-thin scallops, *ravioli* with parmesan galettes and succulent veal shank with flat parsley.

■ *Casa Olympique*, 68 rue St Georges, tel: +33 42 85 36 01.

■ *Petrelle*, 3d rue Petrelle, tel: +33 42 82 11 02. Closed Sunday and Monday lunch. FF230 for three courses & la carte.

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All wines listed are available by the individual bottle at normal retail prices (normal delivery terms apply).

Telephone 0171 396 9669 for more information.

Last date for ordering (to guarantee the delivery of wines before Christmas) 18th December 1998. Offer closes 31st December 1998.



Catch of the day: one of the fine photographs from Ducasse's *'Flavours of France'*

Talking real turkey

Giles MacDonogh goes shopping with Anton Edelmann

Anton Edelmann, chef at the Savoy, London, caters – with his 30-strong brigade – to the tastes and whims of the world's richest men and women and a sizable number of City financiers for whom the hotel is the favoured larger for Christmas feasts.

Christmas is coming, and although Bavarian-born Edelmann might prefer goose, he is aware that most of his customers want turkey.

Turkey, however, is a nightmare. There is so much tasteless rubbish on the market: battery birds fed until they cannot walk, the sole appreciable advantage being their meat yield and the fact that any monkey can carve them.

Edelmann went shopping, and I tagged along. We drove to Eastbrook Farm in Wiltshire. Eastbrook is 100 per cent organic, with credentials from the Soil Association and all the British and European authorities which watch over the title. In season, however, it sells both free-range and organic turkeys, supplied by a farm in nearby Oxfordshire, and

another far away on the Lincolnshire coast.

Visiting a turkey farm was a novelty. As we opened the gate Ruth Prudie's birds came over to greet us. They were white or bronze, weighing a modest 10kg to 20kg. I was struck by their ugliness.

Inside, the first batches were hanging. All foul

The bronze birds would be even fatter, and the flesh even sweeter

should hang, even a modest chicken should get four days. These turkeys are strung up for a week to 10 days. At the end of the barn pluckers were working in a storm of white feathers. The slaughter took place in the next section. The birds did not have far to go. There was no shock. A sharp stroke and it was over.

Next year, said Tim Flimley, the marketing director of Eastbrook Farm, in nearby Oxfordshire, and

this small-scale operation may no longer be permitted. Measures being drawn up in Brussels may require them to take the turkeys to a distant abattoir, or that a vet be permanently on hand at about £20 an hour. Costs, he said, could rise tenfold.

Edelmann had disappeared. We relocated him among the turkeys. He was squeezing the flesh, admiring its unblemished whiteness and fine subcutaneous layer of fat. The bronze birds, we were told, would be even fatter, and the flesh even sweeter as a result.

We drove back to Eastbrook Farm, inspecting fields full of happy saddleback pigs, Angus cows and Suffolk and Hebridean sheep. Unlike the turkeys, these were properly organic, and nourished on the farm's own feeds, including their carrots and potatoes.

Some of this turned up at an excellent lunch. Helen Browning was the owner of the farm. I had expected something a little more whimsical, but this was a new generation of organic farmer, no clogs or beards here but a well-educated, rational, tough and

businesslike woman. Each new shock which emanates from the world of sloppy, conventional farming assists her cause.

Edelmann, a farmer's son, seemed pensive on the drive back. I thought his silences bespoke some deep thoughts on the nature of modern life. Later, I learned that his head was simply filled with figures.

He called me that night: "I've bought the lot!" he said.

■ Information: for reservations at the Savoy's Savoy Restaurant call 0171-836 4933. Eastbrook Farm, which stocks other produce, will sell directly to the public. Call 01793-790462.

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BERRY BROS & RUDD

PROPERTY

Low rent for a winter hideaway

Landlords offer bargain rates to win tenants during the lean months. Anne Spackman reports

For those who like to flee the city in winter there are bargains to be had. Cottages and villas used for holiday lets in summer often struggle to find takers from September until Easter - or even June. Many landlords would rather take a regular low rent than hold out for a couple of premium weeks over Christmas.

Winter tenants able to make the most of such bargains include humankind and field sports enthusiasts looking for a base for the season. They also include city families looking for a cosy weekend and holiday base, as well as those giving second-home ownership a trial run.

Anyone seeking to rent in winter should bear in mind that as a general rule, a month's rent in winter is similar to a week's rent in summer. And the more touristy the area, the greater the discount.

In many southern counties of England tenants can expect to pay about £450 a month for a two- or three-bedroom bungalow out of season.

The price rises for the Cotswolds, which is prime winter weekend territory, and falls in Devon and Cornwall, which many potential customers consider too out of the way.

For those who measure distance in flying rather than driving time, some stunning villas are available for rent in the south of France. Sotheby's International has two properties at Saint-Jean-Cap-Ferrat which command £38,000 a month in summer, now available for £14,000 a month. That price and Milford Haven, etc.

Rents rise nearer London as weekenders compete with full-timers

Notgrove is a classic offering. The detached cottage has a sitting room, dining room and study, two bedrooms and a pretty garden and is available furnished for £700 a month until the end of May.

St Mary's Cottage at Shipston-under-Wychwood is a three-bedroom semi-detached cottage with a courtyard garden and parking. The guide rent is £750 a month furnished. The same agent also has a larger town house in Stow-on-the-Wold available part-furnished at a guide rent of £1,000 a month for six months.

Vivienne Lumunden, head of Butler Sherborn's lettings, advises landlords to set

anyone who questions the merits of France in autumn and winter should remember that visitors at the end of October this year spent their days sun-bathing on the beach.

Tenants should not be afraid to negotiate over rent at this time of year, when landlords may have had a couple of lean months. And when working out the sums, they need to remember that long-term tenants pay household bills as well as rent.

The Cotswold-based agent Butler Sherborn has several pictureque cottages and houses available for rent this winter. Rowlands Cottage in

ers will pay extra for good quality kitchens and bathrooms. There is also a premium for being near a train station with regular services to London. "Tenants often spend more than the tenant there - working from home, thanks to the merits of technology," she says.

Knight Frank's Cirencester office has demand from winter tenants looking for a hunting base. It currently has four rental properties with access to stables.

There are two on the Gloucestershire/Wiltshire borders, both asking rents of £2,800 a month.

The Mill House has four

bedrooms, an Aga kitchen,

four stables and large garde-

nons on the banks of the

Thames. Little Plesior is a

slightly bigger property with

only one stable, but a tennis

court.

Knight Frank has three

properties at about £700 a

month, all offering two bed-

rooms, a sitting room with

open fire and gardens. One

really spectacular bolthole on

offer is at Alderley near

Wootton under Edge. The

Summer House is a grand

folly with views across the

Severn estuary, in three

acres of grounds looked after

by the landlord. Knight

Frank is asking for a rent of

£1,200 a month.

In Devon the tenant has

the upper hand, as landlords

struggle for out-of-season

bookings. Those willing to

take on holiday homes

designed for the summer

market can pay a lot less.

John Ganga is currently

charging between £200 and

£300 a month for properties

at his Seaview development

of five homes with an indoor

swimming pool and games

room on the edge of Seaview



Spectacular bolthole: the Summer House is a grand folly with views across the Severn estuary



Town house: Stuart House in Stow-on-the-Wold, available for £1,000 a month

limestone. That compares with a peak of £250 for the week of the eclipse next August.

Nearer London, rents rise as weekenders compete with full-time tenants. Lane Fox has a newly renovated house available on an estate near Monk Sherborn in Buckinghamshire. Orchard Cottage sits in rural farmland, within walking distance of the village church and can be rented for £1,000 a month.

How do these costs compare with individual weekly lettings? An up-market agency such as Rural Retreats would charge about

£250 a week for a three-bedroom cottage to sleep six in the autumn and spring half-term school holidays. At

Christmas the same property would be £250 a week. A couple of two-night weekend breaks in between would cost about £270.

Rural Retreats, which is particularly strong in the Cotswolds, does not allow its landlords to take long-term lets over the winter because it has a strong demand for short winter breaks. English Country Cottages, whose properties are spread across the UK, will approach cot-

tage owners if asked for a long let. It is then up to the owner and potential tenant to negotiate a price.

■ Sotheby's International Realty 0171-293 5443; Butler Sherborn 01993-832325; Knight Frank, Cirencester 01285-658656; Lane Fox 01285-701177; English Country Cottages 01282-449600.

□ In last week's Rottingdean feature, Mr A.J. Commin was incorrectly referred to as Sir John Commin. He is a former director of Barings Bank, not former chairman.

Keep the noise down

Susan Hann little suspected the torments that lay in wait for her when she began

The Dance Company in Beckenham, in partnership with David Finn.

In 1994, they applied for permission for a change of use for their premises from light industrial to leisure and entertainment. After being granted two temporary planning consents by the local council, in 1997 the business was refused full planning permission on noise grounds.

"I was devastated," she said.

Repeated complaints about the premises had been made by a neighbour and although these had not been proven by a noise test, the council refused permanent permission. Buoyed by the support of their students, the partners determined to fight; they certainly had no wish to close the business.

"We didn't want to be bad neighbours. Our attitude was, if there is a problem with noise we will try to sort it out," said Hann.

The company engaged acoustician Roger Tompsett, head of WS Atkins Noise and Vibration, of Epsom, to carry out noise measurements, make recommendations for attenuation and prepare evidence for a public inquiry into the case.

Tompsett's measurements showed that The Dance Company's premises contributed very little noise to the surroundings and that some relatively inexpensive insulation work could reduce noise even further. This was confirmed by measurements taken later by the council.

His evidence was accepted by the public inquiry and The Dance Company won its planning permission.

Many residents have complaints about noise that can lead to acousticians being called in to measure the nuisance and give an expert opinion.

Suppose, for example, a new road or railway is to be built a few dozen metres from your house. Noise and vibration can affect you and

your property in several ways. Consider construction vibration from bridge piles being driven into the ground

which could affect the fabric of your house and shake up your family. The noise of piling together with the roar of construction machinery could disturb you. Once the road or railway is complete, the traffic upon it could spoil your enjoyment of your property.

For all these acoustic phenomena there is a British Standard. There are also regulations and legislation - for example, the Noise Insulation Regulations, under which insulation work may be carried out on your home at the expense of the highway authority.

The standard insulation provided is not aesthetically appealing and, providing acoustic standards are met, residents can usually apply for the cost of the standard equipment - secondary glazing and a special acoustic ventilator - to be paid as a grant towards the cost of their preferred equipment.

Noise can contribute to loss of value on a property caused by a new road and substantial compensation for this can be claimed under the Land Compensation Act.

Noise must also be considered when a housing or office development is planned. Council planners in England consult Planning and Policy Guidelines when deciding whether to permit a development and the evidence of acousticians is often used in support of an application.

Of course, noise, which can be simply defined as unwanted sound, is the cause of many disputes. One man's symphony is all too often another man's cacophony and here again the acoustician can give an independent view on whether a noise constitutes a nuisance.

Susan Hann describes Roger Tompsett's contribution as "fabulous" and acousticians help many people with similar problems - in a quiet way, of course.

Rhys Owen

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ANNOUNCEMENTS

PROPERTY

Gardening

Restoration need never be a tragedy

Robin Lane Fox tells you how to beat about the bush

The problem of ageing gardens is peculiarly British. There are so many gardens which have had one owner for a long time or were laid out 60 or more years ago. Buyers and public authorities rush in with varying degrees of optimism. Restoration is as much of an art as new landscaping, but there is not a lot of good advice about them.

My basic suggestion is to wait, weed and chuck out. It seems to coincide pretty much with that of my colleague Stephen Anderton, whose new book, *Resuscitating a Garden* (Kyle Cathie, £19.99), contains much which is invaluable for those who inherit a geriatric garden.

Anderton's book is two in one. The main text is broken up with bold headings – we pass from Do I need a skip? to Chemical versus organic methods and major ques-

tions such as Financing the work – but he fails to say anything very practical on these issues. I do wish publishers would allow, or oblige, their expert authors to tell us what they really know without pre-arranging their text into inept little sections which ask questions but do not answer them.

The second part of the book is in the style which practical people such as Anderton handle best. It is an alphabetical list of many types of shrub, tree and hedge accompanied by the author's opinion on their susceptibility to hacking, pruning and hard treatment. I recommend these sections. Anderton has years of experience behind him and is just the person to tell us what other dictionaries still ignore – whether or not a mature Kolkwitzia or California will survive serious trimming back into shape.

Suppose you have a holly

tree which has become too large or straggly. Anderton assures you that you can cut it right down to the base and expect it to shoot again. On the other hand, he reminds us that it is not much good cutting hard into a birch tree which has grown too tall or wide. Unlike holly, it does not respond when hit. That other overgrown legacy from the 1950s, Rhus Typhina or the Stags Hornbeam, is apparently no more willing to regenerate.

It is worth knowing this before you set about a tree now broader than its former owner ever intended.

The most valuable part of the book is the short section on cutting overgrown hedges. Anderton has no real answer to the problem of overgrown Leylandii Cypress and tends to think that cutting out the main leader merely encourages a side branch to develop as a leader instead. I have had

some success with an old untrimmed hedge by cutting it into a V-shape, removing the main leaders and trimming side ones. This operation encourages the hedge to put its energies into its width before resuming its height, and has stalled my monsters for the past four years. The problem is ultimately hard to solve, but perhaps not as desperate as Anderton implies.

His advice on cutting box and yew hedges is excellent and anyone who has inherited this before you set about a tree now broader than its former owner ever intended.

The most valuable part of the book is the short section on cutting overgrown hedges. Anderton has no real answer to the problem of overgrown Leylandii Cypress and tends to think that cutting out the main leader merely encourages a side branch to develop as a leader instead. I have had

Would you open up the view immediately or wait and see what winds the trees keep out? *Lancashire*

gests we should cut this variety one side and one year at a time; it is slow to regenerate if you take it down to ground level.

I can only endorse this practical advice. He advises us to feed old tired box, but I would add that the best cheap fertiliser is dried blood applied in springtime.

Elderly yew hedges are a slightly different matter.

Surprisingly, they too will regenerate if cut right back to old wood, but you should consult Anderton for the correct stages in which to pace

the job. He is right to advise that one side of a yew hedge should be taken at a time. I like his description of the job: "It should feel rather like filleting a fish, except that you keep the bones, the upright trunks and branches, and throw the flesh, or green growth, away." He recommends beginning on the side which catches the most sun, and suggests leaving a fallow year and then attacking the top. Then in the third year, the other side can be cut back to bare branches.

Anderton advises attacking the job in spring and concludes from personal experience that a hedge can be completely rejuvenated – a "tight, healthy and manageable" screen of yew, within five or six years.

There are variations to this process and he advises us well on the value of preliminary feeding and watering.

Among shrubs, he is also authoritative when telling us which to cut down in one swipe and which to take down in stages. Suppose you have inherited that lovely

but familiar, relic from the 1950s, overgrown forsythia in a bright yellow form and an excessive tangle of shrubby winter honeysuckle. Forewarned by Anderton, you set about the forsythia and cut it right down to ground level in late winter, expecting it to regrow from apparent extinction. Winter Honeysuckle, by contrast, should not be cut flat, but reshaped in stages. He reminds us that it flowers better on old wood.

Time and again, he recommends a reduction in particular shrubs, phase by phase. It is great fun to massacre an overgrown buddleia and see it recover; buddleias can be cut right down in spring to 5in or less.

I wish I could believe his advice for eradicating the awful horsetail. He tells us to swish the stems when fully developed in summer with a stout bamboo cane in order to bruise them, but not to smash them. The idea is that a spray of Glyphosate will then penetrate past the plant's scaly skin and into its system. "Several treatments will be required," Anderton warns, "because all the regrowth will not appear at once."

After six years of swishing, my horsetail has increased slightly and I remain to be persuaded that there is any solution which does not do as much to rejuvenate as to kill.

arm tactics some use... it says landlords frequently place insurance business to maximise their commission, rather than in the interests of the cover and its cost, for example.

One problem the government faces is that the worst abuses are perpetrated by smaller landlords, yet it is the large London estates which dominate the landlords' corner in the debate. The law has to apply to two very different sets of problems.

The government makes clear that in future it would like to see a system of commonhold for ownership of flats. This would mean each flat-owner had a share in the common aspects of the building, which they took over on buying the property.

Those who wish to take part in the consultation process should contact Ian Fussell at the Department of the Environment, by Friday March 13 1999.

Leasehold Enfranchisement Advisory Service 0113 203 4716

Anci
has

On the Move / Anne Spackman

Tea and sympathy but no new lease of life

Many leaseholders keen to extend their lease or buy the freehold of their home face an unpalatable choice. Do they pay over the odds to reach a private settlement with their landlord, or do they go through the complicated and potentially more expensive formal process enshrined in the 1993 Leasehold Reform Act?

The British government's recently published consultation paper on the leasehold system offers little hope that such decisions will be made any easier in the short term.

The paper expresses plenty of sympathy for leaseholders' plight. The government accepts that, in spite of decades of reform, leaseholders remain at the mercy of sometimes unscrupulous landlords, who retain power over properties in which they have only a relatively minor interest.

As a result, the government

plans to make it easier for leaseholders to gain the freehold of their property; it also plans to give them the right to manage their property, regardless of who controls the freehold, and it states its commitment to introducing the internationally used system of commonhold for ownership of flats.

However, when it comes to promises of action, it is all just tomorrow. In her introduction to the paper, Hilary Armstrong, the housing minister, recognises that primary legislation will be required for most of her proposed reforms. "We will legislate when parliamentary time allows," she says ominously. Given the government's intention to introduce the reforms in one single, grand

package, the system may not improve for years.

There are about 2m leaseholders in England and Wales. If they wish to "enfranchise" their property – take control over the freehold – they have to jump through a series of complicated hoops.

The government plans to make this easier by widening the grounds on which leaseholders and buildings qualify for enfranchisement and lowering the number of leaseholders required to qualify.

Of particular interest is the relaxation of the "residency" test. Under the plan, residents would qualify if the flat was their principal home at the time the enfranchisement procedure

started (rather than for the previous 12 months), or if they had lived there for 18 months in the previous five years (rather than three years in the past 10).

The government will also be considering an easing of the system for extending leases as part of its consultation process.

How difficult the existing procedures are is revealed in a study of a sample of leaseholders who have used the Leasehold Enfranchisement Advisory Service. Only 4 per cent had successfully gained control over their freehold using the formal system. A further 16 per cent had reached a private settlement with their freeholder.

One of the best bits of news for leaseholders is the plan to give them the right to manage their blocks. The consultation paper

points out that it is bad management, rather than fears about diminishing assets, which prompts most leaseholders to buy out their landlord.

However, the paper points out that this area is fraught with complications. It raises the suggestion that anyone nominated by the leaseholders to manage the property should be able to prove they have a sound financial base. Tim Curran, a surveyor specialising in leasehold enfranchisement, points out that the same requirement is not made of landlords, who can buy up or buy off the cast.

The paper does not wholly reject the landlords' case, though it points out a few of the strong

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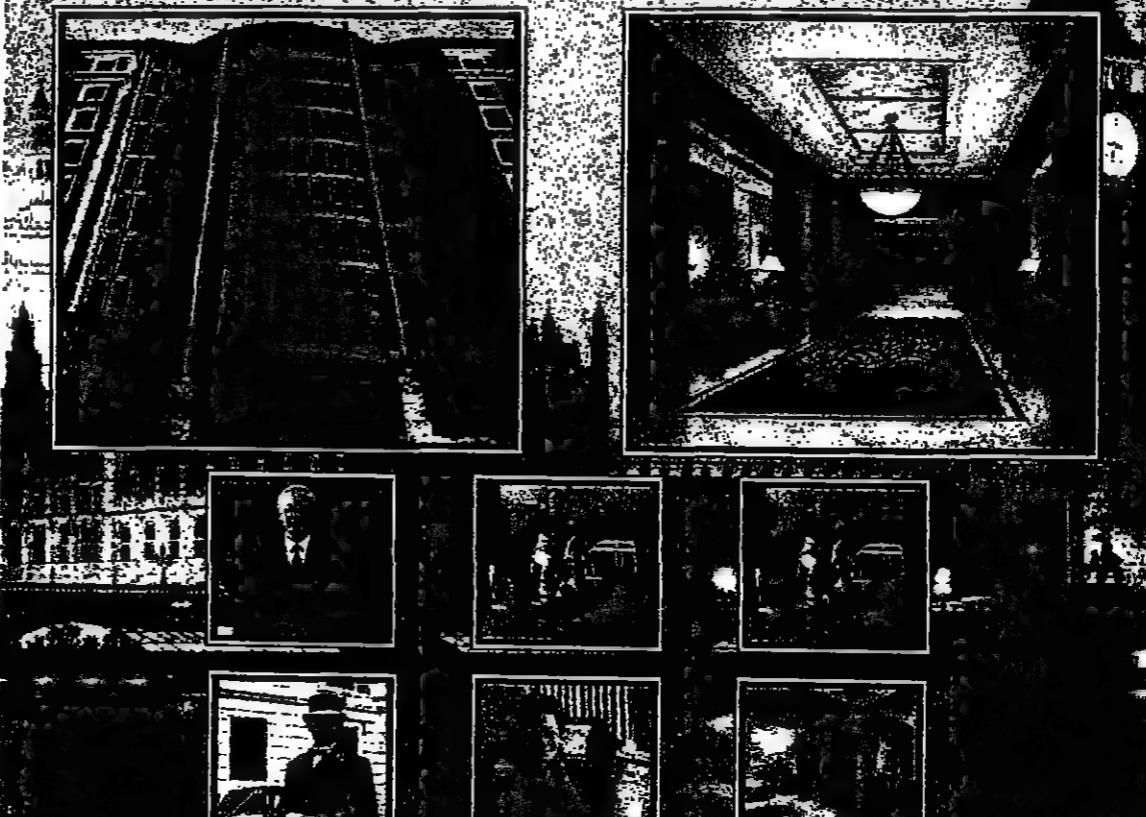
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TRAVEL

mar Grover explores the mosques, souks, cafés, houses and courtyards of Aleppo

disrobed in a circular hall beneath a lofty dome and swaddled in towels, shuffled to the steam room. Heat lapped my skin, visibility was poor. I was sweating like a cheese as a numbing shower led me like a lamb to the broom.

Reassembled on tiles, I was puffed and prodded, pummelled and tickled. The massuer returned with what resembled a stringy bird's wig. It augured an improper end or one last lather. "Ooh!" he croaked. "Marvelous!" I squeaked.

Minutes later, sipping tea on a sofa, I examined my new scabbed self. Hammams – Turkish-style bath houses – are an integral part of Aleppo and the 14th-century Hammam al-Naari, reared in 1385, is one of Syria's most lavish. I felt supple, yogur primed for the old-sensitively inhabited city in the world.

Aleppo, the capital, hotly disputes such claims. Aleppo, not the Turkish border, scoffs. Also – like Syria itself – is a stable through the centuries. Bites start the show around 2030C, followed by Assyrians, Persians and Greeks.

The Byzantines directed us AD637, when Arabs took the stage; Hamdanids, Mirdasid-Seljuks, Ayyubids and Mamelukhs mixed walk-on parts with leading roles. Ottomans were the stars from 1516, the French aggressive stagehands between the thrones. It was independence, of course, which really brought the house down in 1945.

Emerging from the hammam in bright sunlight, I made straight for the citadel. Aleppo's most obvious landmark sits on a hill with a dry, wide moat. Openness for the views and an imposing Mameluke gateway spanched by an arched bridge. In pagan temple to church, mosque to fortress, palace to castle this citadel has seen it all; ruin and remains scatter its sides. "Halab," the city's Arabic name, derives from the word for salt. It was by the mosque of Al-Hanafi, that Abraham reportedly skinned his cow – and where I need for a cup of coffee.

Aleppo's great trading days, via western caravans headed west to the Mediterranean and Tigris, are gone. Yet it retains its panache, and the sights are compactly spread. I strolled down some old quarters, a collage of courtyards, domes and vaults, pentagonal square minarets, ugliness and elegance. Hidden from view, stuporous covered souks thread like capillaries for a reputed 30,000 miles. Once the city's blood, today they are rivalled by Cairo's.

Jumped into Souk al-Attarin, a material extravaganza of cubby-hole shops and boutiques. Colourful traders offered skins, amulets, robes and carpets. Wild "mister" like figs, dates or a baby? What about sheep's milk, laurel soap or 20 styles of olive bucket? Donkey trains end one way, porters flowed another. You can haggle over gold frankincense and myrrh. This is a place to stroll at will, undirections as well as moments to take one's fancy.

Thus I seemed adrift, for an elderly man inquired of my objective the Clock Tower eventually. "M'God!" he exclaimed. "You must lost." In a genie's flash, I was being ushered along curiously his catholic English. Ahmad Modalla proved a gentle yet informal and almost paternal we could meet again by the Great Mosque – if I came good; if not good but not bad.

If I was warned, were some say hotels by the Ottoman Clock Tower near Bab al-Fard. A wifey of cheery decadence runs



Souk It to me Bab al-Fard street near Aleppo's clock tower

Wonderful, wild Waterfall Way

Michael J. Woods discovers a spectacular landscape a mere hour's flight from Sydney

General information

■ Michael Woods travelled as a guest of Air New Zealand and the Australian Tourist Commission. Air New Zealand has return flights to Australia from £210 per person. For further information and reservations call the Air New Zealand Travel Centre on 0171-839 1604.

■ For further information on Australia and a free copy of the 130-page Travellers Guide, call the Aussie Helpline on 0990 561 434.

■ To drive the Waterfall Way, hire a campervan from Sydney and drive north or from the nearby coastal town of Bellairs. Bellairs Campervans, 229 River St, Bellairs, NSW. Tel: +61 65 811 555. £420 for two/three-berth campervan costs approximately £420 for seven days, including unlimited mileage. You may drive on a valid overseas driver's licence for the same vehicle.

■ UK visitors need a visa for Australia and can get a free three-month one through the Australian High Commission or your travel agent for a small charge. Ask about the electronic tagging vehicle (ETA), which can be obtained over the phone – 0891-600333.

try by starting at the home of one regional university and ending at another, Coffs Harbour, on the coast.

Often bewildered by the choice and variety offered on the Australian continent, when we came across Waterfall Way, an area relatively close to Sydney, we decided to take a look. Like a tortoise with its home on its back, the campervan gave us the perfect freedom to daily and longer as we pleased, using simple and free national park sites overnight and walking to the wonderful liquid notes of Australian magpies and the rumbustious, hysterical giggles of kookaburras.

We turned towards Hillgrove, a ghost town where only a handful of houses remain of the thriving community of 3,000, who came here 100 years ago in pursuit of gold.

This is a town which has disappeared, a fact emphasised not only by the collection of historic photographs of Hillgrove in the former school, but also by the nest but poignant signboards which line the streets naming the buildings which once stood there.

Of the six hotels, four churches, hospital, banks, police station and stores, not a trace remains.

When mining failed here and the people left, they dismantled the buildings and carried them away, mainly to nearby Armidale.

The historic town marks the beginning of the Waterfall Way, a route which takes the traveller over the New England tablelands and down the escarpment to the Pacific. It not only calls at a number of spectacular waterfalls on its 110-mile (177km) journey, but passes through a series of national parks of World Heritage status and has a certain symmetry.

The village of Ebor, population 100, lies about halfway along the Waterfall Way. It was

there that enormous volcanic eruptions took place about 180 years ago. Molten basalt was poured over the existing sedimentary rocks, forming cliff's nearly 1,000ft (300m) thick.

Uplifted and eroded, they create a dramatic escarpment above Bellingen. The basalt columns are clearly visible at the upper and lower Ebor falls where the Guy Fawkes River, following the

route which takes the traveller over the New England tablelands and down the escarpment to the Pacific. It not only calls at a number of spectacular waterfalls on its 110-mile (177km) journey, but passes through a series of national parks of World Heritage status and has a certain symmetry.

This river valleys form dramatic gorges in an otherwise well-ordered pastoral landscape noted for the high quality of the



Hire a campervan if you want to see dramatic scenery

Half sunk in mud, at the river's edge are the logs used to support the keel of a barque, Royal Tar, when it was built there in 1972. Of the four main logging mills there is no trace. In their heyday, three alone were stripping and sawing timber at the rate of 100,000ft a week. It is a wonder that New South Wales has any forests left, let alone the beautiful ones we had travelled through along Waterfall Way.

still growing. The New Territories, the land near the Chinese border, used to be rural. Now there are little clumps of skyscrapers everywhere, making Manhattan look like Norfolk, and even these are towered over – deliberately – by buildings in Shenzhen, on the Chinese side.

Take one of the HK Tourist Association's Heritage Tours to see the last relics of traditional life – temples, walled villages, ancestral halls. Hotels built in 1963 will probably soon qualify.

One last test for the Mandarin's staff: I have toothache. Head concierge Giovanni Valenti, a sympathetic fellow drill-ophobe, reaches for the phone. Within an hour, I'm in a bright, modern surgery a block away, where an English-speaking dentist whips out a decaying wisdom tooth. So there will always be a little part of me in Hong Kong.

■ The Mandarin Oriental can be reached on 0800 962667, or www.mandarin-oriental.com. Until March 31, room rates (one or two adults plus free child) begin at £139. Cathay Pacific flies from London to Hong Kong twice a day; fares from £245.

Ancient citadel has seen it all

through downtown like a drain.

From sin to salvation is just a few minutes' walk. The nearby Jdeide Christian quarter – all narrow lanes, arched blind alleys and *beikas*, enigmatic mansions with elaborate doors – is predominantly Armenian. Many fled from first world war Turkish persecution, and today it is a haven for a bewildering array of sects, each with its own church.

All stand within a stone's throw but no one is throwing stones. You can dabble in Gregorian Armenian, Greek Orthodox and Syrian Catholic, not to say Greek Catholic and Maronite, too.

Food for the soul is fine, actual food even better. Sissi House may sound like a camp rendezvous, but this charming 17th century Jdeide mansion is a cut-glass restaurant. Candlelit tables fill a deep majestic courtyard, and there appear to be no menus. Maybe I should have worn a tie – the waiters were seventh heaven smoothness. Looks may not kill but they can curse. It's a place to stroll at will, undirections as well as moments to take one's fancy.

In need of congenial beer, we made straight for the Baron Hotel – what was adequate for the Clock Tower eventually. "M'God!" he exclaimed. "You must lost." In a genie's flash, I was being ushered along curiously his catholic English. Ahmad Modalla proved a gentle yet informal and almost paternal we could meet again by the Great Mosque – if I came good; if not good but not bad.

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Information

■ Few international carriers connect with Aleppo.

Trafalgar, 0777-636 3636, quoted fares from £233. There is more competition to Damascus: 0174 071-368 8888 quotes from £255. You can then take an Interjet flight (£139). Cheapest fares are Syrian Air via Damascus: 0228, from January 15 to April 1.

■ Accommodation:

Aleppo has plenty of hotels and guesthouses. Top-of-the-range hotels tend to be overpriced. The Baron Hotel offers sleeping rooms for about £21 to £25 and is convenient for exploring the city.

■ Ahmed Modalla can be contacted at PO Box 5814, Aleppo. Tel: +963 677776.

Lawrence of Arabia's 1914 bill.

In the world's oldest inhabited city, it seemed obligatory to visit its oldest inhabited house. In among the souks lie several 15th and 16th century *zimmars*, coruscating, where merchants loaded their animals, wheeled, dealed and slept. Elegant arcades gridded courtyards but most had been roughly adapted to modern needs. Khan al-Nahebin is little different and might pass unnoticed, but for the house of Adolphe Poche, the late Belgian consul. From 1538, its labyrinthine pedigree has embraced Venetian nobility, a French consul's daughter and her glass-merchant husband from Bohemia. Poche may seem French but it is a Bohemian name," explained

We finished beneath the citadel at Sulaymaniyah Madrasa, one of the city's finest religious schools. Wispy-bearded men prayed before the *mihraq*, an extravagance of multi-coloured stone.

"Come," said Ahmad, entering a side room with flat marble tombstones anchored to the floor. He opened four concealed doors. Step faded into the gloom, yet only one passage makes the citadel. "Which one?" I asked, but he simply shrugged theatrically.

The Grand Hotel

Tough times for Hong Kong hotels

John Westbrooke views the former colony's travails from the comfort zone

there are tough times for Hong Kong hotels: first

the handover to China, then economic turmoils and south-east Asia. For foreign visitors, however, this is waterloo news: luxury may not be as affordable again.

A Mandarin Oriental rates as one of the grandest domes. And this a place which has plenty off-class opposition: The Peninsula, The Ritz-Carlton, The Island Shangri-La, the Grand Stamford Harbour View and the Cedars to name but a few...

The Mandarin's 25 storeys rise it is a skyscraper when it was built in 1988; now, it is dwarfed by what's everywhere and by Hong Kong standards, 1988 is argue. It is also one of the few hotels which has balconies for almost every room. There are few places in town: the idea of leaving a railing with a G and T, admiring the harbour view, is all so colonial.

There are treat, too. Many waterfront buildings have found their dock blocked by taller neighbours going up on reclaimed land. The Mandarin's view, however, seems to be protected by

the geometry that lies behind Chinese construction.

In this case, the dragon living on Victoria Peak needs a clear run down to the harbour for a drink. The ground floor of the dramatic Norman Foster-designed Hong Kong and Shanghai Bank, across from the hotel, is entirely open for this purpose. The dragon then crosses Statue Square outside the hotel, ducks round the modest Star Ferry terminal, and drinks his fill.

The Mandarin Oriental's top floor affords food as well as harbour views. One of two restaurants there, Man Wah, serves Cantonese fare, the dominant local cuisine. The other, Wong, a cousin of the Wong's in London and New York, mingles French and Asian, reflecting the cosmopolitan mix that is also part

of the territory's tradition.

But what the hotels of the region are really famous for is service. Can they still cope in an age of economic crisis?

Although Europeans or Americans will now find Hong Kong a great bargain, there have been sharp falls in visits by other Asians, agrees Liam Lambert, Mandarin's general manager. Some hotels have held their rates and have empty rooms, to keep its market share, he has trimmed prices – but not service.

There are staff everywhere, and all so polite. People who live in Britain notice this sort of thing. Room service arrived swiftly; the record was about 10 seconds from the time we acci-

dentially leant on the bell to the time of the knock on the door.

Supersize beds, personalised stationery, fresh fruit on the table and orchids in the vases, and an FT at the door every morning: what more could you want? A sauna to yourself? Then stay in the Pine Suite, not the biggest but the nicest.

But is newly Chinese Hong Kong still a place to visit? Yes, says Lambert firmly. "You do hear people say, 'it must have lost its colonial character.' But that never was a real attraction. There was nothing specially British about it, and that hasn't changed." That was my impression too.

On my first visit, 16 years ago, Downturn or no, Hong Kong is

Hong Kong seemed essentially Chinese and it still does (though westerners, now as then, seem to get through border posts more easily than mainland Chinese).

Despite the appearance of troops and armoured cars for the handover ceremony last year, which did little for tourist confidence, I saw no sign of the military in the streets.

Instead, outside the hotel on a Sunday the roads are closed to traffic and overflowing with women. They are mostly Filipinas made on their day off, sitting, chatting, eating, swapping photos, reading newspapers and playing cards; the air is filled with the birdsong of Tagalog.

Downturn or no, Hong Kong is

TRAVEL



Snapshots from Kenya: left, Calvin Cotter outside a 1920s-style tent; centre above, camped out in Shaba, in northern Kenya; below left, the wildebeest migration crossing the Mara River; right, breakfast au savage in the bush; right, sweet dreams

Merryn Philp-Taylor

Romance full of pedigree and promise

Motorised trawls through the Kenyan bush are all very well, says Lucia van der Post, but real wilderness is much harder to find

I like a bit of history with my Africa. And I like a bit of romance and a touch - but only a touch - of danger so that I can kill myself I am being intruded.

Most of all, what I really want is a sense that I am somewhere remote and wild, that I have only to reach out to touch the wilderness. This may not sound much and you may think it is obvious but, trust me, this is what costs in Africa today and it is so devilishly hard to find.

Motorised trawls through the African bush are two a penny and very nice, too, for first or even second-times who like their holidays safe, sure and comfortable and are panting to see the "big five".

But for those who find themselves hooked on Africa, there comes a time when they want something different, something lonelier and wilder. They want, as Elspeth Huxley puts it in *The Flame Trees of Thika*, a matchless evocation of pioneering days in Kenya, "to taste the solitudes where nature keeps her pure and intricate balance free from the crass destructiveness of man".

Not every guide can take you there. Some do not have the taste for it and some do not have the know-how, but Calvin Cotter and his 1920s safaris come with the kind of pedigree and promise that is hard to resist.

Calvin's family have been in Africa ever since his great-grandfather, Chas Cotter, arrived from Oklahoma in 1904 in the best tra-

dition of African adventures with a dark and mysterious past (best not to ask). Like others before him, "he came, he saw, he couldn't leave".

Calvin Cotter grew up wandering the Kenyan bush. In his early days, before it was banned, he was a hunter, which means that he looks at the bush with a different, keener eye, and there is little that he doesn't know or cannot do in it.

If you are going somewhere wild and lonely, you need someone like him to go with. He remembers what Africa used to be like. He heard from his father tales of the old-style safaris of the luxury, the glamour, the long lines of porters, the seven-course meals, the journeying to places "way past the last piece of habitation", and it is this old-fashioned safari that he has recreated in remote parts of Kenya.

Not that this is about roughing it; as Cotter puts it, "about romance". He wants to connect people's imagination with what they've read in books and seen in films, to bring alive an experience they've often been dreaming about for years.

In remote high country filled



with wild bush and great cedar forests outside the Little visited south-eastern border of Masai Mara at the end of long rough winding roads, he has conjured up Olentoro, a fantasy world. An old-style tented camp in 1920s style.

There are four cream canvas tents (which means the camp can

only take eight people at a time), with canopied verandas to sit out on and look at one of the best views in Africa. There are four posters beds swathed in mosquito nets (very conducive to a little white mischief) as well as old-fashioned bath tubs, shower units and plenty of old-style service.

Early-morning tea and drinks are brought to the tent-door and the large mess tent has Persian rugs on the floor. There is silver and crystal on the table, meals of several courses and, in the corner, scratchy 78rpm records play on the old gramophone.

But the really great thing about having Cotter and his team

to yourself is that you do precisely as you like. You do not have to confine yourselves to the set-piece safari routine but you go where the mood, the wind, the animals, the migration takes you. He will take keenies out fly-camping in his concession area to watch the smaller migration in the Loita hills or to walk and fish - pleasures and freedoms for droids in all the national parks and, more to the point, dangerous without an experienced and accomplished guide.

While we were at Olentoro

we got word that the migration - that vast gathering of about 1.5m wildebeest, 1m zebra, other plains game and attendant preda-

tors - was in the Masai Mara and about to cross the Mara River. This is one of the greatest, most glorious sights in Africa and one that I had never seen in my many visits.

We spent a whole day lurking in the acacia trees by the river and what sights we were rewarded with - the steaming lines of banked-up wildebeest, their piteous whinnying, their evident implacable impulsion to cross the river coupled with their very real fear of doing so, the piled-up masses eventually almost falling down the sandy river banks, the crocodiles swimming in for the kill, the splashing and the danger. It was an altogether unforgettable sight, harrowing certainly, but moving in its rawness.

Other days we walked up gorges hoping to spot where the Verreaux Eagles nested or to see the Lammergeier, listening to the Colobus monkeys in the trees, catching a glimpse of a reedbuck and a steinbuck.

Another day we tracked the pride of lion that had made such a racket in camp the night before, and on yet another we paid a visit to a nearby manganya, the traditional home of the neighbouring Masai, whom Cotter and his fiancée Louise know well and who provide most of their staff.

With Peter Behr, his partner and co-owner of the company, we journeyed up to the far north into Shaba on the eastern border of the Samburu National Park,

and once we had arrived we never saw another soul.

We spent long days out in the open Land-Rover and for those who, like me, have a taste for these remote, desert lands, with high skies and a landscape filled with dry scrub and bush and winding rivers and the scary sense that if you broke down no one would ever find you (an illusion shattered by the use of radios and mobile phones), Shaba is the place to go.

Shaba is one of the few places where one can see Grevy's and Burchell's zebras grazing side by side so that for the first time one could compare what the textbooks so competently describe - the Grevy's is bigger, has bigger ears and finer stripes.

It takes money to bypass the tourist herd and its migratory trails and take up temporary residence in your own remote wilderness camp. But for those who can afford it, it is an experience of a different intensity to a visit to the well-trodden tourist path.

The price you pay, though, is that the game is sparser than in the crowded game parks, it is a good idea to put in three days at the Cotters' old family home, Bush Tops, which is right-side of the Masai Mara. Here there is as much game as the heart desires.

Elspeth Huxley had a way putting things: "Looking back a sojourn in the African highlands, you are struck by the feeling of having lived for a time up the air... Coming back was not so hard to do."

■ The 1920s safaris cost \$610 (£370) per person per day for a group of eight people. Bush Tops is \$225 per person per day. Book through Cazenove & Lloyd Safaris, 3 Alice Court, 116 New Bond Street, London SW1W 9QG. Tel: 0171-575 9666.

Only the paucity of game

A small town in Germany with a right royal history

Giles MacDonogh visits the principality of Coburg and considers its tangled links with the British throne

For such a tiny speck on the landscape, Coburg can claim a disproportionate amount of importance in modern European history. True, its early development was little different from many of Germany's minor *Residenzstädte*: a Saxon princeling established his court and fortress there and surrounded himself with the attributes of might. In Coburg, the imposing castle, or "Veste", still dominates the town.

It was up at the Veste that Coburg made its first claim to fame. In the 16th century, it was the southernmost territory of the Saxon margraves. The margraves were the protectors of Martin Luther. In 1530, the imperial authorities in Augsburg tried to arrive at a compromise between the necessary Protestants and the Church. Luther, the man, who had brought the rift about, was lodged in the Veste, scribbling books and letters and penning amusing lines on the drudgery of translation.

In Coburg - some would have it - Luther created the modern German language. The rooms where he performed this feat are lovingly preserved, along with his portrait by Cranach the Younger.

With Luther's departure Coburg went to sleep again for a couple of hundred years. Some lavish baroque ceilings were put up in the ducal residence, but otherwise Coburg was uncon-

sious of its significance until the end of the 19th century. Then, the reigning duke, Frederick Anthony, took stock. He had a territory the size of a pocket handkerchief, a comfortable palace in the Schloss Ehrenburg, a grim fortress up the hill, a few country seats of a modest sort and five supernumerary children to marry.

His offspring proved his greatest resource. Ferdinand married a Catholic Hungarian and his

Queen Victoria had a special affection for the place which had nurtured her family

progeny went on not only to found the crown of Bulgaria but to regenerate that of Portugal: Antoinette married the Duke of Würtemberg; Julianne a Russian grand duke; Leopold married Charlotte, heiress presumptive to the throne of Great Britain, who sadly died (she was later compensated with the crown of Belgium); and Victoria, the Duke of Kent. The sole product of this last union was Queen Victoria.

Ernest II was the last of the Coburg dukes in the direct line. When he died Queen Victoria returned the favour and des-



Coburg: Queen Victoria went there many times. She loved the intimacy of it with her beloved Albert

patched a son to be duke. He was the sailor Alfred, Duke of Edinburgh. After the death of his only son he locked himself away in the gardener's cottage at Schloss Rosenau and never re-emerged.

When the recusive duke died in 1900 another duke had to be procured from Victoria's reserves. This was her grandson, the 16-year-old Charles Edward, Duke of Albany. As he spoke no German the Coburgs thought it a good idea to send him to the cadet school in Lichtenfelde in Berlin where he could be close to his cousin, the Kaiser.

As Coburg was spared the wanton destruction of the second world war, all these things are there to see in what is a more than usually attractive small German town. Albert himself stands proud above the billowing sausage stalls on the market square, but in many ways his brother, Ernest II, was an even more important figure. He represented a school of princely liberalism which offered a solution to the problem of German unity radically different from that eventually enacted by the Prussian kings and Bismarck.

Ernest II was the last of the Coburg dukes in the direct line. When he died Queen Victoria returned the favour and des-

ecision of the name Windsor.

The duchy had only a few more months to live before it succumbed, with all the other German principalities, to the revolution.

Although a private individual now, Charles Edward still enjoyed the love of his Coburgs, and with their consent he made the town into a haven for the German right.

In 1932 Hitler made his first visit and swastikas hung from the gates. Charles Edward never lost his faith in the Führer. In 1932, he became head of the German Red Cross. This position allowed him to undertake propaganda missions for the Nazis. It was he who was entrusted with the job of ensuring good relations with his cousin, the Prince of Wales, later Edward VIII and Duke of Windsor.

It is thought now that the last Kaiser turned the boy's head, for he became more German than the Germans themselves. His loyalties were severely tested by the first world war. In 1914, he resigned as a colonel of the Seaforth Highlanders. Three years later he went even further and decreed that no more Englishmen could inherit the duchy of Coburg. This decision preceded by several months his cousin George V's renunciation of Saxe-Coburg and Gotha, and

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After the war, Charles Edward was interned by the Americans and lived a miserable existence in one of their camps until his sister, Princess Alice of Athlone, convinced the authorities to release him. He survived until 1954, blind but unbowed, still

at the gate

□ **LITTLE LEARNING:** If being a beach bum is good, try a holiday with Art History Abroad (+44 01823 32336) it provides accommodation, travel and tutors: A-level courses in Florence, architectural tours of London, Roman ruins, Dutch painting in Amsterdam... You don't have to study art history before, and you can have tailor-made.

□ **OPEN TO ALL COMERS:** Of the 50m people with disabilities in the European Union, 36m are able to travel and a booklet called *All G* aims to provide them with details of UK hotels and restaurants which can accommodate them. 24.9 from bookshops or publishers BIG Group (0171-383 233)

□ **AS SHE IS SPOKE:** Swahili has 50m speakers! "safari" is the only word that have made it into English; the rest, Subir! Kidogo! Kitabu hiki ("Well - I'll try") find it in this book... Ley Planet's new Swahili phrasebook, £3.99.

□ **EAT AND RUN:** Bright winter Sundays by taking brunch or afternoon tea by stews serve good food and champagne as musical stroll through the carriages 2½-hour trip on Orient-Express's British Pullman. Victoria station costs £95; 0171-805 5100.

□ **EUROSTAR launches overnight train to the Alpine ski resorts of Moutiers, Alpe d'Huez, Bourg St Maurice, leaving Friday evenings; 0171-822 6030.**

John Westbrooke

TRAVEL

Skiing

Getting stuck in at the Pig Trough

St Anton's early snowfall adds an extra feelgood factor to what Arnie Wilson suspects could be a vintage season

Karl Senn looked positively happy as he rushed around serving piping hot mountain food and endless schnaps. "I wasn't expecting so many people," he said anxiously. "I have hardly any staff."

After a morning skiing untracked St Anton powder, my huge plate of Tiroler *Bauerngrat*, diced pan-fried potatoes mixed with ham and bacon, was as deliciously satisfying as the skiing.

With the earliest heavy snowfall in St Anton for more than a decade – repeated in many Austrian and Swiss resorts – the feel-good-factor could hardly have been higher. "If I were booking a ski holiday, as long as there was good snow, December is when I'd do it," said my Danish-born guide Jens Borgnass.

In between forkfuls of *Berner Wurst* (sausage stuffed with cheese and wrapped in bacon) he continued: "There's a great ambience in the resort, everyone's fresh and unstressed. There's so much snow – natural combined with a big increase in snow-making – we could have opened two weeks ago."

"Just look around the balcony. On a day like this in February you just couldn't get a seat."

I had resolved, on this opening weekend of the season, not to sit but to wander the streets of St Anton instead, watching others prepare for curtain-up. Fat chance.

"You have come all this way not to sit – with all this wonderful snow?" said the incredulous Wilma Himmelrundpointer from the tourist office. Protest was useless. Within 15 minutes the Alber rental shop had thrust me into the state-of-the-art tools of my trade, and Borgnass was itching to get at the powder.

We enjoyed a couple of warm-up runs in the mist at Galtig waiting for the spectacular Schindlergrat chair to open, and then we headed for untracked powder. Our first run, into the Schindler-

kar, was down a steep snowfield which had scarcely been sullied. We rushed to reboard the *Schindlergrat*. On the way to the top, Jens pointed out Schmiede-bridge – a run which translates as "pig trough".

"Maybe we should do something there?" he said. "Are you hungry? Maybe we'll do it just before lunch." We turned left at the top this time, and instead of continuing down the long trail towards Stuben, we cut left along the high *Schindlergrat* traverse overlooking the *Uferalpe*, where huge flanks of un-skied powder awaited us.

Although the snow cover was unusually good, the odd rock lurked below the surface.

Borgnass took off with a whoop. I followed him down, turning his tracks into respectably eight. Now I was ready for the Pig Trough.

Hardly had we gorged ourselves on the first few turns than Borgnass ripped the bottom of one of his new Salomon X-Screams on a rock. Perhaps we had been over-enthusiastic in our attempts to relish the first day of the season.

Although the snow cover was unusually good, even on the classic off-piste areas below the Val-Juga, there was obviously still the odd rock lurking just below the surface. We skied down to *Steissbachalp*, the homeward-bound run nicknamed Happy Valley, and called it a day.

That night we strolled past pre-Christmas stalls along St Anton's pedestrianised main-street to the inevitable strains of "Silent Night". High above us, snow-cannons sprayed their icy contents into the night air. A newly con-

structed lake means the resort has almost unlimited supplies of water this season for snow-making.

Outside many of the shops were arrangements of potted fir trees with red and gold ribbons. Wreaths and gold-painted candles and other Christmas decorations were being unloaded outside hotels. Swedish staff from the Drop-In night-club were selling *Glogg* and gingerbread biscuits.

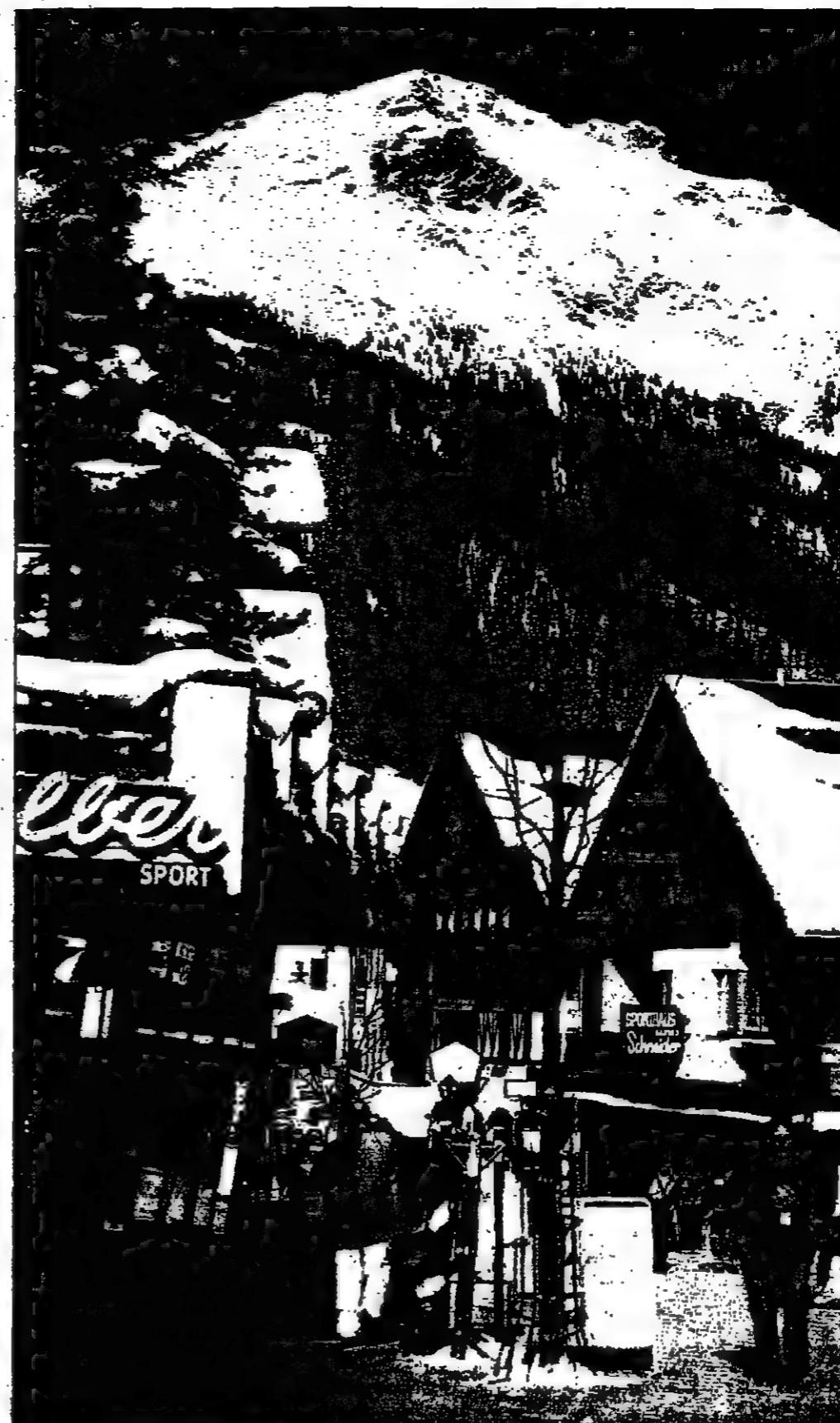
Opposite, the Harlekin restaurant lured passers-by with fascinating film-clips of pre-war St Anton (including superb slow-motion sequences of Hannes Schneider, "father" of the Arberg ski technique, pivoting on his poles in mid-air) and bowls of steaming *Schupfnudeln* (noodles with sauerkraut and ham).

Everywhere night-clubs were advertising season-opening parties. But would skiers have the energy to attend? "April-ski on the slopes is becoming more and more important," said Himmelrundpointer. "Skiers tend to stay on the mountain longer, drinking at mountain huts and skiing down at dusk. Sometimes they are so exhausted they don't go out again in the evening." This, of course, does not dampen the enthusiasm of those who do.

Indeed, one of St Anton's jokes is that when the resort moves its railway station from the centre of town to the Rendl side of the resort in the autumn of 2000 – in time for the World Alpine Championships – it will have little effect on the noise levels in town since the guests' brouhaha is considerably louder than the odd passing train.

At the moment, it looks set to be a vintage season.

■ Arnie Wilson's visit to St Anton was organised by the Austrian Tourist Office, 14 Cork Street, London W1X 1PF. Tel: 0171-629 0461. He flew to Zurich with Swissair, and continued his journey to St Anton by train. He stayed at the four-star *Grieshof* Hotel.



St Anton's high street: the area has had its earliest-heavy snowfall for more than a decade

Movers and shakers

■ Need a private jet to take your mother Christmas shopping in Paris? Or a helicopter at 3am to catch the last roll of the dice at the casino in Monte? Want to be fixed up with a yacht in St Tropez at a moment's notice?

Of course you do. In which case, you will need a Mr Fixit. It could be Sean Shelley, director of Shelley Ashman International, a company which prides itself on running a discreet and personal travel service 24 hours a day.

From wealthy families, pop stars, musicians or captains of industry who need to move at short notice, the company will arrange your requests, no matter how bizarre, without batting an eyelid, as it says.

Shelley utilises personal contacts throughout the world to get jobs done. Each customer is assisted by a named individual who will take care of needs and requests personally. Each client is promised a progress call within 10 minutes of his or her initial request.

"Sean is yet to disappoint," says the company's spokeswoman.

And the scale of charges? I think it's fair to say that if you need to ask you can't afford it. □ Shelley Ashman International, New Barn Farm, Bucklebury Village, Reading, Berkshire, RG7 6EF. Tel: 01189-714714.

■ For those who travel by more conventional means abroad, particularly to northern France, HoverSpeed is providing an hourly shuttle on its Dover-to-Calais hovercraft service next year. There will be 14 return departures a day during peak periods, with flights on the hour every hour from 8am to 6pm. A new fast check-in procedure should give a motorway-to-motorway time of just 50 minutes. The company is also increasing frequency on the Folkestone-Boulogne SeaCat service, with up to six return daily. Tel: 08705-240241.

Jill James

HOLIDAYS & TRAVEL

OVERSEAS

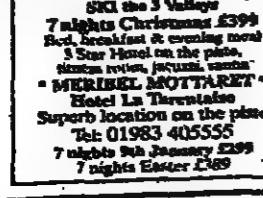
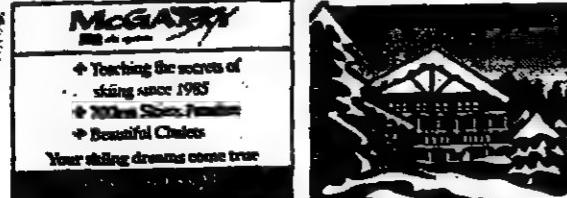


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SPORT / MOTORING

Horse racing

Bloodstock HQ hardly a foal's paradise

Colin Cameron charts the risks facing 'pinhookers' who buy and sell at Tattersalls auctions at Newmarket

It's a good time for tonight's National Lottery draw, the last of more than 2,600 horses passed through the auction ring at Park Paddocks, Newmarket, in Suffolk, yesterday, bringing to a close the two-week Tattersalls' December sales and the town's own season of speculation.

About 1,000 of the latest draft were foals, all sold without names. No real hint in the catalogue, either, of the potential trouble they might bring to those who bought them. Calling them all *'cautious emperor'* would just about cover it.

Tattersalls is the centre of Europe's bloodstock market and its December sales, which open with four days of foals, draw some of the bloodstock world's biggest gamblers, the 'pinhookers'. This small band of specialists was busy last week buying weanlings, some barely six months old, with the intention of reselling them again next year as yearlings at the ripe old age of one.

Pinhookers play the market because they believe that they can pick out foals who will develop, by next autumn's auction season, into yearlings full of racing potential and attractive to the market. If a foal does, indeed, go "the right way" physically it can mean a handsome profit.

But foals mean risk. With foals, what can go wrong will. The front legs can grow faster than the hind set. Or neither pair can grow at all. Physically, it's largely nature's call. Then there is the curse of youthful exuberance. A paddock can seem the perfect nursery for the young, until you leave a foal in one.

It is not only the potential physical improvement of a foal in the months ahead that concerns its pinhooker. Bloodstock values are based on pedigree as well as looks. While a foal is happily flowering in a field, older siblings are hopefully winning at the track. Pinhookers pray that family exploits create premium demand for their own investment one year on.

And, of course, don't forget the effect on bloodstock values of the economic climate. Pinhookers cannot easily hedge against a market crash or currency wobble.

I knew all this in 1981 when I took a share of two weanling fillies in a syndicate venture. But,

like most pinhookers, it didn't stop me, either.

The foals, "my" foals, together cost 5,000 guineas at the same Tattersalls auction, seven years ago. One was a daughter of the former top-class racehorse Persian Heights, out of a mare called Snowkist, the other by Common Grounds, out of Final Decision.

The daughter of Persian Heights would become Persian Snow. A better name for her might have been "Ill-fated". The other filly was eventually registered as Sweet Decision by her new owners, a confident billing.

For the pair, the racecourse was a long way off when they arrived at Shauna's Stud and the care of Simon Hanson, their purchaser and surrogate parent for the year. For Persian Snow, there were problems almost immediately. First, she showed signs of colic. An infection then developed around her navel which had to be drained of puss.

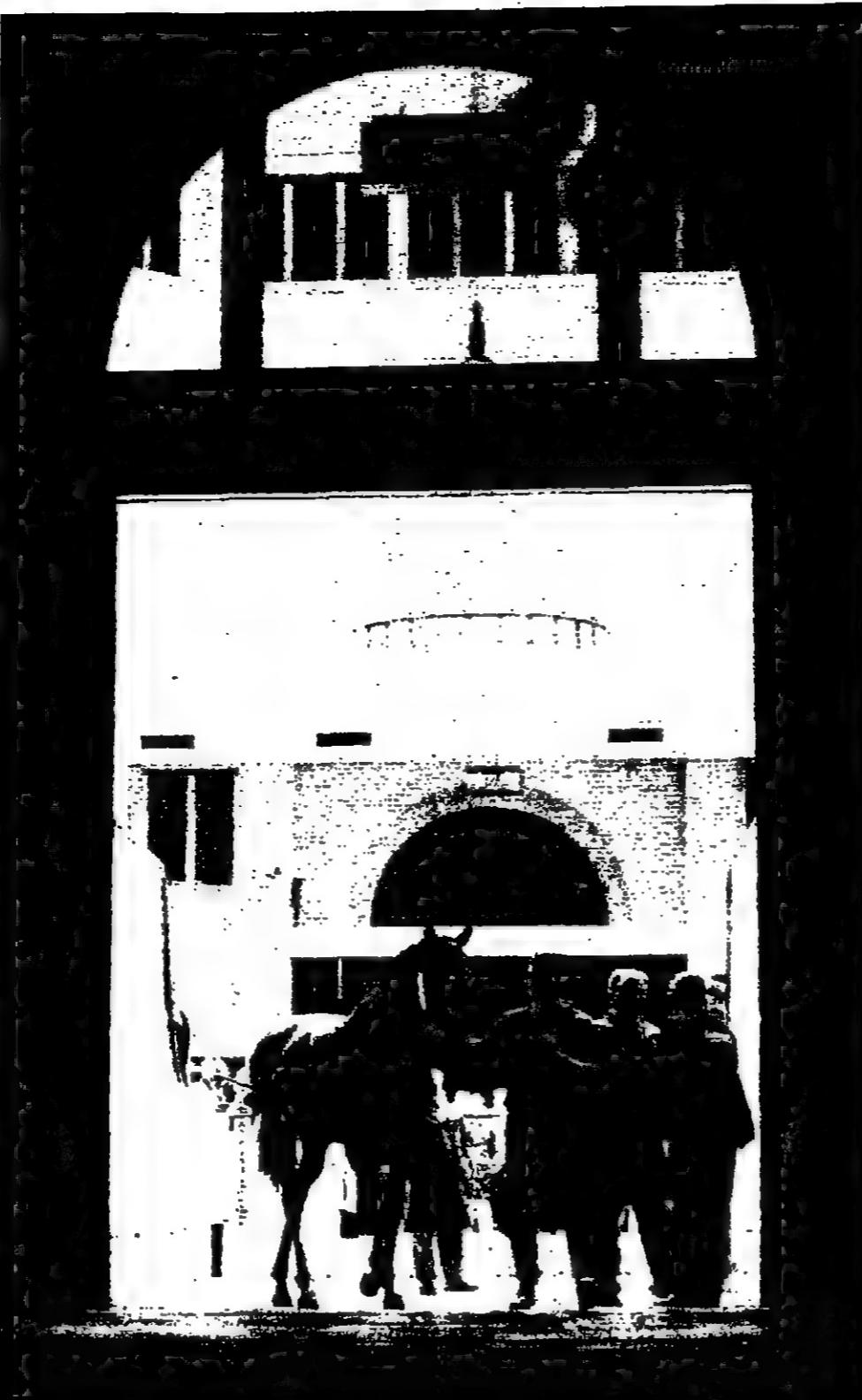
Come the spring, and wrapped in three blankets with bandages round all four legs to keep her warm, Persian Snow did not exactly look like she would make an attractive sales offering later in the year.

As Persian Snow recovered, her family was at least doing its best to boost her market value. Flyfield Flyer, her maternal brother, aged two, won a brace of good races and was shaping up well for a crack at prestigious autumn events. Come the sale, Persian Snow's pedigree was at least hot.

But ultimately Flyfield Flyer flopped at Ascot as favourite in the Cornwall Stakes on the Saturday before his sister's big day at the Tattersalls October Yearling sales. So did the market. Day one of the auction was later billed as bloodstock's own "Black Monday". Persian Snow was knocked down to Epsom trainer Brooke Sanders for a modest 5,000 guineas.

Sweet Decision's turn in the ring came after Persian Snow in November, at the less prestigious Tattersalls Autumn Yearling Sale. Health-wise, Sweet Decision had been her paddock companion's opposite. And she had grown, but only erratically. As a yearling she was no natural athlete.

She saved her own mini-drama for the month before sale time. During October, Sweet Decision



Gambling on winners at yearling auctions in Newmarket can be a greater risk than betting on the track. DAVID JONES

threw a "splint", which meant she developed a bone growth on her leg between knee and fetlock.

The final bid for the filly was a reflection that this aesthetic imperfection could cut a yearling's value by up to 50 per cent – and the sparse crowd which gathered for her sale. Sweet Decision was Reg Payne's for just 1,400 guineas. Sold didn't seem the right word as she departed for her new home in Somerset with Michael Williams, Payne's trainer.

P practically giving away Sweet Decision did not help smooth the emotional farewells every pinhooker endures at this point of separation. But for Persian Snow worse was to come. The news was as abrupt as the blow of the auctioneer's gavel in the spring, having shown promise on the gallops, she died without warning. The adage, what can go wrong, will applies to

young racehorses, as well as to foals, in this case fatally.

A sad end to just another pinhooker's hard luck story? Yes, but only half so. The bloodstock wheel of fortune barely ceases revolving for tragedy.

Soon after Persian Snow's disastrous end, there was word from Sweet Decision's West Country stable. The filly, whiskered those in the know, was an even bigger steal than her sellers first feared.

Agreed two and hyped, Sweet

Decision made a promising race-debut. Soon she was won at Leicester. Although I viewed it only from the betting shop, I still felt compelled to tell the cashier proudly I used to own her as a foal. Whenever she finished in the frame during two more seasons' racing, I told anyone nearby my part in her success.

At four came retirement to the paddocks for the challenge of motherhood. Since then, Sweet

Decision has been back in Han-

son's care. With time, nature has been kind. And there have been foals, two to date, the second of which was sold for 30,000 guineas last week, like its mother, at the December sales to pinhookers.

Sweet Decision herself was also back at Newmarket. After the opening week's foals, and the weekend off, selling resumed on Monday for five days – 1,400 fillies and older mares, with a fair proportion in foal themselves.

This time Sweet Decision entered the ring as "believed" pregnant to Entrepreneur, the 2,000 Guineas winner of 1997 now at stud in Ireland. She faced the market on Wednesday morning as Lot 1,664.

Someone bid 50,000 guineas, but that was less than her reserve. She's come a long way, has Sweet Decision. Once a pinhooker's gamble, now a mare with a name, looks, pedigree and the next generation already on the way, she wasn't going to be given away again.

The Maldives, a cluster of Indian Ocean coral islands, was the smallest nation competing at the Asian Games in Thailand. But they have been booted out without succeeding in their humble aim of winning a single soccer match. There are only about 260,000 Maldivians – all of them soccer-crazed – and they watched nervously as their team competed in the Bangkok preliminaries. But it all came to naught.

So keen are the Maldivians on

soccer that they chartered four

Indian cargo ships to bring tons

of extra sand and thousands of

slabs of green grass to make

proper soccer fields in the capi-

tal, Male. On other islands, play-

ers wait for low tide so they can

get more space in which to play.

"I worked hard on the team for

the Asian Games," said coach

Selokto Vyacheslav this week.

"I tell them don't eat so much

rice, eat more protein. But every

time I see them dining, I look at

their plates and there is the head

of rice."

In Bangkok, there was a tiny

Maldivian consolation. Their

team lost 4-0 to Qatar and 3-0 to

Tajikistan, but that was better

than Mongolia's 15-0 rout by Uzbekistan.

□ □ □

This week the Associated Press news agency asked its international subscribers to nominate the top sports stories of 1998. To refresh clients' minds, AP lists a range of big stories in random order. Perhaps you thought 1998 was a quiet year, sportwise. But, it wasn't, as this abridged (and slightly rewritten) version of AP's poetical list demonstrates:

France wins soccer World Cup after Brazil flop in final – injury over Ronaldinho. Rupert Murdoch's BSkyB offers \$1bn for Manchester United. European soccer tournament over proposed Super League.

Mike Tyson regains boxing licence. Ecuador's Holguin, Lennnox Lewis move towards heavyweight title unification bout. Marion Jones dominate women's athletics.

Mark O'Meara wins two golf majors but Tiger Woods still No 1. Colin Montgomerie wins Euro-golf's money title for sixth straight year. Pete Sampras again triumphs at Wimbledon but struggles against Rios and Rafter for top slot. Sweden beats Italy in Davis Cup final. Doping scandal, twice cycling's Tour de France triggering new anti-doping initiatives.

Irish swimmer Michelle Duffey banned for four years for tampering with drugs sample. Mika Hakkinen wins motor racing's Formula One title. South Africa sees rugby union records. Bribery allegations in Pakistani cricket. England reaches to win Test series against South Africa. 1998-99 NBA season threatened by lockout. Michael Jordan leads Chicago Bulls to another NBA title – contemplates retirement.

US major league baseball star Mark McGwire hits record 70 home runs, but is criticised for using androstenedione. New York Yankees win record 135 games and World Series. Detroit Red Wings capture second straight Stanley Cup. Sweden takes world ice hockey championship. Denver Broncos win Super Bowl, ending NFL domination.

Canadian snowboarder at the Nagano Olympics stripped of gold medal for positive marijuana test, then reinstated. Hermann Maier dominates men's skiing with Olympic gold and World Cup overall title. Alberto Tombolini retires.

Awesome Aga Khan wins Breeders' Cup Classic while Real Quiet takes Kentucky Derby. Three horses die as Earth Summit winner Grand National steeples chase at Aintree racecourse, England.

Quite possibly, the grisly deaths of those three horses at Aintree will be seen, in retrospect, as one of the biggest international sports stories of 1998, and help bring closer the beloved day when British jumps racing is haunted.

lite V8. The former left-winger was muscular but rather thirsty for Europeans paying four times as much as Americans for their petrol.

So, Chrysler has just introduced much more frugal versions of both five-seat Voyager and seven-seat Grand Voyager, powered by an indirect-injection 2.5-litre turbo-diesel engine from Italy. Typically, it produces ample pulling power at quite low revs, allowing a light-footed driver to achieve up to 35mpg (around 61/100km). Only manual transmission is available but the five-speed gearbox is pleasant and, used freely, provides brisk acceleration. High gearing – almost 30mph per 1,000rpm in fifth – makes motorway cruising as relaxed as it is economical.

The Grand Voyager 2.5 TE I tried was massively capacious. It was easy to drive, if rather van-like, with the turbo-diesel sounding refined, providing it was not allowed to labour in high gear. Prices of these very large MPVs, which are made in the US but assembled in Austria, are spectacularly competitive, starting at £19,820 for a Voyager, and £21,920 for a Grand Voyager.

They include air conditioning, anti-lock brakes, power-adjustable and fold-flat door mirrors and captain's chairs (they swivel round to face backwards) for driver and front passenger.

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Motoring

Vroom with a view

Stuart Marshall charts the irresistible rise of people carriers



Mitsubishi's Space Wagon: silky-smooth, spacious and economical

seating position appeals, as with 4x4 sports utilities; because it gives a commanding view of the road and makes women drivers feel they are less likely to be harassed by aggressive males.

Although MPVs now account for 2.7 per cent of the UK market, compared with a derisory 0.36 per cent at the start of the 1990s, they are still seen as a more individual kind of car than a hatchback or estate. And the small and medium-sized ones – the Renault Megane Scenic and Ford Galaxy, for example – are quite like normally shaped cars to drive.

An MPV buyer must nevertheless adjust to two oddities. First, he (or she) will not see any of the short bonnet from the driving seat; and second, there is almost nothing left of the car behind the rear window. All this makes an MPV far less difficult to park than its bulk might suggest. Large external rear-view mirrors come in handy when reversing into confined spaces or up curving drives.

Children like MPVs because they get a better view of the outside world than they do from a normal car. They are ideal family transport, especially for the school run, because the larger models hold six children – all safely belted in. Whenever I take my grandchildren to their schools, every other vehicle in the car parks seems to be either an MPV or a large four-wheel drive. The MPVs

are particularly easy to load or unload when they are parked in a multi-storey.

For me, the main snag with an MPV is that making full use of their versatility involves taking some of the seats out. I find this objectionable on two counts. Despite what the manufacturers say, the seats are usually difficult to remove and to store. Heavy loads, the suspension felt a little firmer but the Space Wagon was just as comfortable, and handled with the same car-like confidence.

Prices of the Space Wagon start at £17,795 for a GL manual seven-seater and go up to £22,485 for an automatic only GLX with six individual seats. All models have twin airbags, on-board computer, power-operated windows and door mirrors and three-point belts for each seat. The GLX and GLS versions have direct injection diesel engines which approaches diesel economy if driven on a light throttle and is a silky-smooth performer. Average fuel consumption should be close to 30mpg (9.4/100km).

Styled to look more like a car than a van, it has a roomy interior with six or seven seats, according to model, and a low enough roof to cross the Channel in Le Shuttle's double-deck wagons. The optional auto-

matic transmission has electronics that detect different driving techniques and adapt shifting points to suit.

On the French autoroute it cruised quietly at 100mph (160km/h) with a great deal of power in hand and the nicely weighted power-assisted steering made town driving and manoeuvring in tight places effortless. The ride was particularly good.

Lightly loaded, the Space Wagon dealt shock-absorbency with rough lanes and glided over sleeping policemen. Heavily loaded, the suspension felt a little firmer but the Space Wagon was just as comfortable, and handled with the same car-like confidence.

The Grand Voyager 2.5 TE I tried was massively capacious. It was easy to drive, if rather van-like, with the turbo-diesel sounding refined, providing it was not allowed to labour in high gear.

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They include air conditioning, anti-lock brakes, power-adjustable and fold-flat door mirrors and captain's chairs (they swivel round to face backwards) for driver and front passenger.

The Chrysler Voyager and Grand Voyager are for buyers – the UK prime minister among them – who reckon that if you are going to have an MPV, it might as well be a really big one. Until now, the choice of engine has been limited to a petrol 2.5-litre four-cylinder or a 3.2

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JY/12/98

Inaway Access

What's on around the world

AMSTERDAM

EXHIBITIONS

Rijksmuseum
Tel: 31-20-673 2121
 ● Adriaen de Vries (1568-1626): Imperial Sculptor. Major exhibition celebrating the work of the Dutch sculptor, who worked for Emperor Rudolf II and other European courts. Around 40 bronzes will be on display, borrowed from public and private collections in Europe and the US; from Dec 12 to Mar 14

● Shakudo: display of Asiatic objects highly popular in Europe and imported in large quantities by the Dutch East India Company. Mainly they were luxury goods such as sword hilts and tobacco boxes; to Apr 5.

● The Festival of Lithography:

celebration of the 200th anniversary of the discovery of lithography. Includes works from the collection by Toulouse-Lautrec, Cézanne, Manet, and Dutch artists including Van Gogh; to Jan 10

● Van Gogh in the Rijksmuseum: During the period of the Van Gogh museum's closure for renovation and building work, a selection of its finest holdings will be exhibited in the Rijksmuseum's South Wing; to Mar 7

OPERA
Netherlands Opera, Het
Muziektheater
Tel: 31-20-551 8971
 The Queen of Spades: by Tchaikovsky. Conducted by Semyon Bychkov in a new staging by Lev Dodin; Dec 14, 17

BARCELONA

EXHIBITIONS

Fundació Joan Miró
Tel: 34-93-329 1908
 www.bcn.jmriro.es
 Magritte: exhibition celebrating the centenary of the artist's birth. Includes more than 90 paintings and 50 photographs; to Feb 7

Museu Picasso
Tel: 34-3-319 6310
 Picasso - Engravings 1900-1942: temporary exhibition with more than 250 works from the Musée Picasso in Paris. It presents Picasso's engravings as a diary, and follows the different themes and techniques that informed his work; to Apr 4

BERLIN

CONCERTS

Konzerthaus
Tel: 49-30-203090
 ● Berlin Symphony Orchestra: conducted by Otto Rutherford in Mendelssohn's Paulus oratorio, with the Pro Musica Choir; Dec 12.
 ● Recital by soprano Felicity Lott and mezzo-soprano Ann Murray, of works by Purcell, Schumann and others; with pianist Graham Johnson; Dec 17.
 ● Rundfunk-Sinfonieorchester Berlin: conducted by Robin Tritton in Handel's Messiah, with the Rundfunkchor Berlin; Dec 14

BIRMINGHAM

EXHIBITION

Birmingham Museums and Art Gallery
Tel: 44-121-335 2854
 Sir Edward Burne-Jones: comprising more than 200 works, including tapestries and jewellery as well as paintings; to Jan 17, then touring

BONN

EXHIBITION

Kunst- und Ausstellungshalle der Bundesrepublik Deutschland
Tel: 49-228-917 1200
 www.kah-bonn.de
 High Renaissance in the Vatican: Art and Culture at the Papal Court (1503-34). The early 16th century saw Rome establish itself as the centre of art in Europe: the Vatican commissioned work from such great artists as Leonardo da Vinci, Michelangelo and Raphael. This exhibition displays some of the masterpieces that resulted, as well as revealing the contexts in which they were produced; to Apr 11

CHICAGO

EXHIBITION

Art Institute of Chicago
Tel: 1-312-443 3600
 www.artic.edu
 Mary Cassatt: Modern Woman. 125 paintings, drawings and prints by the only American invited to exhibit in the Impressionist exhibitions in Paris. Closely associated with Degas, Monet and Pissarro, in later life she became a celebrated collector and patron; to Jan 10

OPERA

Lyric Opera of Chicago
Tel: 1-312-532 2244
 www.lyricopera.org
 Rise and Fall of the City of Mahagonny: by Kurt Weill, libretto by Bertolt Brecht. Conducted by Sylvain Cambreling, with a cast including Catherine Malfitano and Kim Begley; Dec 13

DUBLIN

THEATRE

Abbey Theatre
Tel: 353-1-787 7222
 Miss Rivals: by Sheridan. New production directed by Brian Brady and designed by Conor Murphy, with lighting by Trevor Dawson; to Jan 23

FLORENCE

EXHIBITION

Palazzo Pitti
La Domina l'Emelino: Leonardo da Vinci's 1480 portrait of the young mistress of Duke Ludovico of Milan



Hans Memling's portrait of Maria Portinari, in the 'Van Eyck to Brueghel' exhibition at New York's Metropolitan Museum of Art

travels to Italy for the first time since 1500; from Dec 16 to Jan 24

FRANKFURT

EXHIBITIONS

Schirn Kunsthalle
Tel: 49-69-329 8220
 ● Alberto Giacometti: retrospective of work by the Swiss sculptor and painter. Also featuring prints and drawings, the exhibition charts Giacometti's artistic output from his early years in 1920s Paris to his death in 1966; to Jan 3

● Treasures from King Zhao Mo: King Zhao Mo's tomb, sealed in 122 BC, was accidentally discovered in 1983 by construction workers. This exhibition displays the many treasures buried there, the first time they have been seen in the west; to Jan 22

OPERA

Oper Frankfurt
Tel: 49-69-2127 999
 www.frankfurt-business.de/oper
 ● Die Zauberflöte: by Mozart. Conducted by Guido Johannes Rumstädter in a staging by Alfred Kirchner. With a cast including Britta Stalmäster and Kirsten Blanck; Dec 12

● Eugene Onegin: by Tchaikovsky. Conducted by Catherine Rückwardt, in a staging by Rosamund Gilmore, with sets and costumes by Carl Friedrich Oberle; Dec 13

HELSINKI

OPERA

Finnish National Opera
Tel: 358-9-403 021
 Anne Bolens: by Donizetti. Conducted by Maurizio Barbacini in a new staging by Jussi Tapola, with designs by Anna Kontek. The title role is sung by Rikka Hakola/Cynthia Maki; Dec 14, 17

HONG KONG

DANCE

She Tin Town Hall
Swan Lake: by Tchaikovsky. Performed by the Kirov Ballet; Dec 12

HOUSTON

EXHIBITION

Museum of Fine Arts, Houston
Tel: 1-713-639 7750
 www.mfa.org
 Brassai: The Eye of Paris. A retrospective of Brassai's work that coincides with the 100th anniversary of his birth. Includes photographs taken during nocturnal wanderings with the flâneur and poet Leon Paul Fargue; to Feb 28

LAUSANNE

EXHIBITION

Musée Cantonal des Beaux-Arts
Tel: 41-21-312 8332
 Courbet - artist and promoter: more than 70 paintings by Gustave Courbet (1819-77), including landscapes, portraits and nudes. The exhibition concentrates upon Courbet's artistic output after 1855, especially that produced during his exile in Switzerland; to Feb 21

LISBON

EXHIBITION

Coliseu
Tel: 44-771-632 6300
 La Traviata: by Verdi. Jonathan Miller's production includes Sandra Ford and Christopher Booth-Jones among the

INTERNATIONAL ARTS GUIDE

Magritte; to Feb 7

NEW YORK

EXHIBITIONS

Guggenheim Museum
Tel: 1-212-423 3500
 www.guggenheim.org
 1999, Rendezvous: In their holdings artworks from 1900 to 1945, the Guggenheim and the Centre Georges Pompidou are remarkably similar, with one often owning a preliminary study for a painting in the collection of the other. The closure of the latter museum has created the occasion for this exhibition, which brings together related works by the same artist, or works by different artists on the same theme; to Jan 24

Metropolitan Museum of Art
Tel: 1-212-879 5500
 www.metmuseum.org

● Clay Into Art: Selections from the Contemporary Ceramics Collection. 61 pieces from the museum's collection, demonstrating the breadth of style characteristic of post-war ceramics; to May 30

● Degas Photographs: bringing together 35-40 photographs, most of which were made in the 1890s. Mainly they are figure studies, self-portraits and portraits of the artist's circle; to Jan 3

● From Van Eyck to Brueghel: Early Netherlandish Paintings. Almost 100 paintings from the collection, exhibited together for the first time; to Jan 3

● Heroic Armour of the Italian Renaissance: Filippo Negroni and His Contemporaries. Includes more than 60 richly decorated suits of armour, worn by Renaissance kings and captains. Includes public and private loans; to Jan 17

● Letters in Gold: Ottoman Calligraphy from the Sadıq Sabancı Collection, Istanbul. 70 objects ranging from the 15th to the 20th century; to Dec 13

● Louis Comfort Tiffany: celebrating the 150th anniversary of the artist's birth, this exhibition, drawn from the museum's collection, includes leaded-glass windows and lamps, vases, furniture, enamels and jewellery; to Jan 1

● Mary Cassatt: Drawings and Prints. Coinciding with a major retrospective at the Art Institute of Chicago, the Metropolitan Museum has organised an exhibition of most of its extensive collection of Cassatt's work; to Jan 24

Museum of Modern Art
Tel: 1-212-788 0444
 www.moma.org

● Jackson Pollock: first US retrospective of the Abstract Expressionist since 1987. Including more than 100 paintings and 50 works on paper, the show promises to be a highlight of the New York art calendar; to Feb 2, then transferring to London

● Miró's Black and Red Series: A New Acquisition in Context. Joan Miró's 1938 Black and Red Series, consisting of 8 etchings, is a recent addition to MoMA's permanent collection. It is displayed alongside works by contemporaries including Dali, Ernst, Picasso and Max Ray; to Feb 2

Pierpont Morgan Library
Tel: 1-212-665 0008
 www.morgan.org

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Theatre
Lyttelton Theatre
Tel: 44-171-928 2252
 Retraite: by Harold Pinter. Trevor Nunn directs Pinter's 1978 play, with a cast including Anthony Calf and Imogen Stubbs; Dec 14, 15, 16, 17

● LOS ANGELES

OPERA

LA Opera, Dorothy Chandler Pavilion
Tel: 1-213-855 3500

Fantastic Mr Fox world premiere of Tobias Picker's opera based on Roald Dahl's story. With a libretto by Donald Sturrock and designs by Gerald Scarfe. Cast includes Gerald Finley and Susanna Guzmán as Mr and Mrs Fox; Dec 12, 15

● MANCHESTER

CONCERT

Bridgewater Hall
Tel: 44-161-907 9000

Hallé Orchestra: performing Elgar/Payne's Symphony No.3. Mark Elder conducts; Dec 17

● LOS ANGELES

EXHIBITION

National Gallery
Tel: 44-171-839 3321

Mirror Image: Jonathan Miller on Reflection. Show exploring the representation of mirrors in art, curated by Miller and featuring loans from public and private collections; to Dec 13

● LONDON

CONCERTS

Barbican Hall
Tel: 44-171-638 8891
 www.barbican.org.uk

● Candide: the Inventing America series continues with the London Symphony Orchestra, conducted by Kent Nagano, presenting a concert performance of Leonard Bernstein's 1955 musical. Cast includes Patricia Routledge; Dec 18

● London Symphony Orchestra: Sir Colin Davis conducts a series of works by Elgar; Dec 13

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● MILAN

EXHIBITION

Pinacoteca di Brera
La Domina l'Emelino: Leonardo da Vinci's 1489 portrait of the young mistress of Duke Ludovico of Milan travels to Italy for the first time since 1500; to Dec 13, then transferring to Florence

● MUNICH

CONCERTS

Philharmonie Gasteig
Tel: 49-89-5481 8181

● Munich Philharmonic Orchestra: conducted by Daniele Gatti in works by Berg, Wagner and Hindemith. With mezzosoprano Marilyn Schmiege; Dec 18, 19

● Rundfunkorchester des Bayerischen Rundfunk: conducted by Heinz Hennig in works by Bach, Schubert, and Mendelssohn-Bartholdy; Dec 13

● Tchaikovsky-Symphony-Orchester des Moskauer Rundfunks: conducted by Vladimir Fedosejew in works by Dvorák and Tchaikovsky. With cello soloist Mischa Maisky; Dec 15

● VAN GOGH'S VAN GOGH: 70

paintings loaned by the Van Gogh Museum in Amsterdam. Includes such icons as The Potato Eaters (1885); to Jan 3

● OTTAWA

EXHIBITION

National Gallery of Canada
Tel: 1-613-990 1985

Songs on Stone: James McNeill Whistler and the Art of Lithography. Around 200 works by the American expatriate, including drawings, etchings and paintings; to Jan 3

</div

Weekend Investor

Wall Street

Titans go into the confessional

Top names admit there is little cause for optimism next year, says John Authers

For the first time in weeks, there is a distinct taste of fright on Wall Street. As winter weather at last came to New York, so also did news of alarming falls in sales from a range of America's corporate titans, along with the end of the market's brief Indian summer.

The 9,374.27 which the Dow hit at the beginning of Thanksgiving week is looking a little distant. Traders are certainly not back to the raw terror that held the market through much of August and September. That is demonstrated by the continuing stream of mergers and acquisitions, and the even greater stream of gossip that more deals are to come.

But the final month of the quarter brings with it "pre-announcements", when companies that are plainly on course to disappoint the analysts own up to the Street early. It is known as "confession season". This week has seen a trail of corporate supplicants looking for forgiveness. Most alarmingly, have come from some of the safest and most reliable traditional blue-chip stocks.

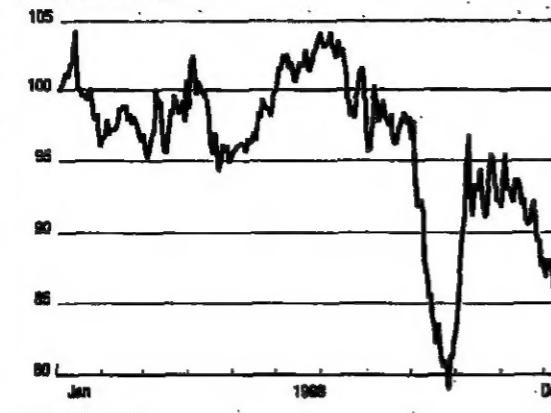
Companies tumbling because of fears about their chances of increasing revenues next year have included a swathe of branded consumer products giants including Coca-Cola, Gillette, and Procter & Gamble. All have vast international businesses and the kind of brand names that were supposed to make them all immune to recession.

Add to this list Merck, still the biggest US pharmaceuticals company, which took the opportunity on Thursday to downcast about its hopes for next year; and Union Carbide, the chemical conglomerate which did the same earlier in the week, and things do not look healthy. Utility companies also warned that the fourth quarter would be disappointing because the good weather for much of the US has cut electricity power consumption.

Perhaps most impressive was Wednesday's announcement from J.P. Morgan, the investment banking powerhouse, that it expects to earn less in the present quarter than it did in the last.

As Morgan depends on the

Weighting brand loyalty?
Weighted average of Coca-Cola, Procter & Gamble and Gillette relative to the S&P Composite



movements of capital markets, which nearly melted down in the third quarter and have done little but rally in the fourth, this was quite an achievement.

But it is the performance of the consumer products giants that gives greatest cause for concern in the long term. While they are all great companies, they no longer look recession-proof.

It is hard to see how any of them can resume the kind of growth that would justify their present multiples, and the nature of their business means that their bad news probably foreshadows problems for the rest of the market. Coca-Cola, the biggest brand name in the world, is the best example. It endured one of the sharpest corrections of any big company during the summer, as the chart shows.

It snapped back during the October rally but never reclaimed its highs. Yesterday it admitted that several of its "key" markets – including Brazil, Germany, Japan, Russia and south-east Asia – had been "impacted by economic uncertainty and volatility".

As a result, its earnings per share will be almost 20 per cent lower than Wall Street estimates this quarter, and its shares felt the full heat, falling 5.4 per cent to \$32.4 at the opening. This puts it more than 20 per cent below its high of almost \$38.

It was vulnerable to such a fall because it remained at a massive multiple – 45 times its historic earnings. This is roughly double the average price-earnings ratio for the

Eddie George unwrapped his Christmas present for the market this week but investors gave the lukewarm response of a 10-year-old who has been given a set of handcuffs by an aunt.

The governor of the Bank of England might have expected a more enthusiastic reception to the half-point cut in domestic interest rates. After all, a couple of weeks ago, analysts had been expecting either a quarter-point reduction or no change at all. But a steady ratcheting up of expectations had developed this month, rather as the appearance of wrapped Christmas presents round the tree whets the avarice of children.

By the start of this week, some were starting to talk of three-quarters of a point, or even a full point, off rates. The economic data and the statements from the corporate sector had been so gloomy as to appear to

Standard & Poor's 500 index. Such a rating makes sense for growing stocks that look like increasing their profits consistently, most obviously at the moment in the high-tech sector. But the prospects for swift growth in soft drinks are limited.

That multiple is being paid for the defensive qualities of reliably huge revenues and for Coke's marketing brilliance, but not for the prospect of growth. This is why it is so damaging that Coke is warning on revenues.

But Coke is not alone in trading on a very optimistic multiple. Procter & Gamble, which also had an awful week but is only 10 per cent off its high, trades at a multiple of 30 while Gillette, which is more than 30 per cent below its peak, is on 45, the same multiple as Coke.

It was not all bad news for the equity markets this week. Bond yields continued to plummet and the yield on the benchmark 30-year Treasury bond forced its way below 5 per cent for the first time in the two decades that it has been traded.

That, however, was mainly because of pessimism about the global outlook. Such low bond yields have helped to sustain the still massive multiples of the global consumer products companies. But there is precious little else to support them.

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demand decisive action. Figures on manufacturing output, released on Monday, showed that it fell 0.4 per cent in October and 0.7 per cent on a rolling three-month basis, the sharpest decline in almost four years.

Meanwhile, a survey from the British Retail Consortium indicated that high street sales in November were 0.4 per cent lower than in the same month in 1997.

The effect of the slowing economy on the corporate sector was shown by a continuing stream of profit warnings, or downgrades of forecasts, by analysts. Among the leading stocks affected was British Airways but several smaller groups were also hit, including Prism Rail, Royal Doulton and David S. Smith.

Economists are revising down their forecasts rapidly for next year. "There are still risks that growth in 1999 will be even weaker

than our 0.4 per cent forecast," says Michael Saunders, UK economist at Salomon Brothers-Barney/Citibank.

"With falling underlying inflation and falling mortgage rates, the headline retail prices index is likely to fall below 1 per cent during 1999." If so, that would be the first time inflation had fallen that low since the early 1950s.

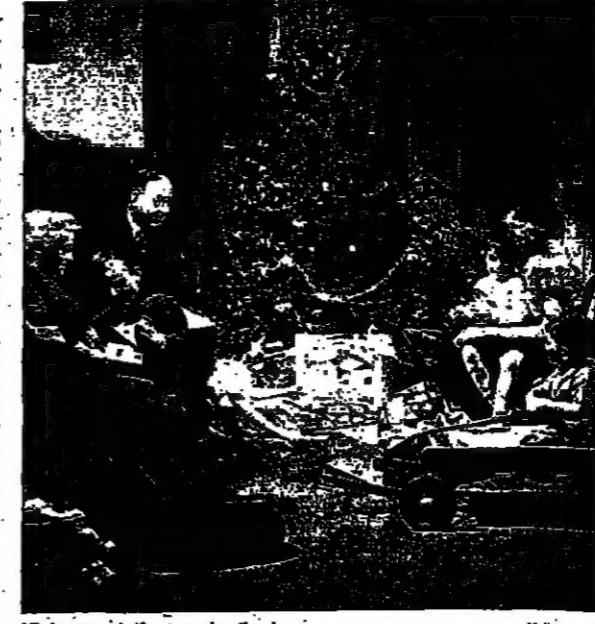
The result should be that interest rates fall much further than people had been expecting only a few months ago. The short sterling future, the market's vehicle for speculating on interest rate changes, points to 5.5 per cent by the end of next year but Ian Scott, European strategist at Lehman Brothers, is looking to 4.5 per cent (which probably means mortgage rates below 6 per cent) in 12 months' time.

While those levels seem remarkable by the standards

London

Thanks for the hankies

But couldn't you do better? asks Philip Coggan



High expectations under the tree.

In recent history, remember that interest rates across the rest of Europe have been brought down to 3 per cent – and seem likely to fall further next year. That should provide a level of support for the market, especially as institutional investors seem already to have accumulated a hefty amount of cash.

Another factor that might help bolster the market is takeover activity. The corporate sector has rediscovered the urge to merge as it lost temporarily during the market plunge of mid-July to early October.

Scottish Power announced a deal with US utility Pacific Corp; British Aerospace is expected to announce a link-up with Dasa of Germany some time soon; while the big deal of the week was the merger of long rumoured takeover target Zeneca with Astra of Sweden.

In a world of slow growth and low inflation, it is very difficult for companies to increase revenues. Many have gone through several rounds of cost-cutting already in the 1990s; there is little fat left to discard.

Merging two companies together, and eliminating duplicated services, offers one of the few routes to profit improvement.

Whether it will necessarily rejuvenate the stock market is another matter. Many of the recent deals have been all-paper affairs, which means no premium was paid for control and no new cash was injected into the market.

And Lehman Brothers, in a study of four sectors that

had been particularly prone to merger activity – pharmaceuticals, oils, telecoms and beverages and tobacco – found there was no evidence that such actions were a source of stock market out-performance.

In any case, investors evidently took little heart from this week's deals or the rate cut, as the FTSE 100 index shed 118.5 points yesterday to end the week at 5,541.7.

The international background did not help, with a profits warning from the Swedish mobile telephone group Ericsson and the rumbling impeachment process involving President Bill Clinton.

Bond yields dropped with the benchmark 30-year yield falling below 5 per cent. The spread of corporate bonds over government debt rose as investors showed signs of returning to the preference for safe havens that marked August and September.

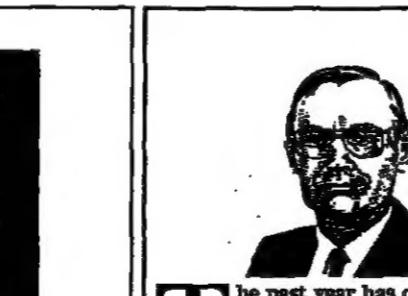
Trading is now expected to quieten until the end of the year as markets prepare for the introduction of the euro. But, before the year ends, one should say goodbye to the companies that are due to de-germ the FTSE 100 index after the quarterly review.

Nycomed Amersham, the healthcare group and British Land drop out as do tech groups Semco and Misys. Back in come Dixons and Hanson, and tobacco groups Imperial and Gallaher, Fage, retailing and builders? Real ghosts of Christmas past.

Philip Coggan@FT.com

Highlights of the week

	Price yester- day	Change on week	52 week High	52 week Low	
FTSE 100 index	5941.7	-40.2	6178.0	4648.7	15 declines due to weaker non-Bank
ASDA	1435.1	-154	2274	1409	Workers stand off
Ariva	3551.6	-80	518	3301	Sale terms of selling home, shares up
British Land	445	-41	625	437	Broker comment, shares from Fossils
Carlsberg	351	-114	2156	856	Broker comment
Compass	692	+37	700	530	Good figures
Dun & Bradstreet Sys	551	+18	547	274	Financing plan approved
Ernst & Young	223	+59	265	143	Approach from Fossils
Hanson	473	+351	4800	245	Fossils entry
Kingfisher	805	+89	818	3544	British trading statement
P & G Dalt	695	-35	1012	405	Ending of Kraft sale plan
Railtrack	1401	-171	1788	571	Aggressive regulatory stance
Sears	2579.4	+341	3001	1491	Takeover hopes
United News & Media	511	-67	6149	4599	Profit warning
Vanguard Metals	1585	-42	1624	1471	Absorption plan



Barry Riley

Europe tops the table

But clouds are darkening the economic outlook

The past year has offered something, at different times, to almost all kinds of investors: bulls and bears, speculators and the risk-averse. So, in looking back at the predictions I made 12 months ago, I can boast that I hit some bull's-eyes – but I also have to confess that, in some respects, I veered quite wide of the mark.

In UK equities, the challenge then was to judge if investors were over-estimating the prospects for growth and, if so, were share prices vulnerable to an unexpected earnings crunch? Optimism ruled at the beginning of 1998 but I warned that, in a year's time, we just might be assessing seriously the prospects for a 1999 recession. Alas, how right; indeed, it might be that the recession has begun. This, arguably, is why the Bank of England cut another half a percentage point off its repo rate on Thursday.

Meanwhile, the consensus forecast from I/B/E/S, the earnings data compiler, for UK earnings per share growth has been downgraded progressively from 11 per cent in January to zero, or even slightly negative, now. Overall, this has scarcely seemed to matter, although there have been some wild swings between the individual sectors, with some of the big telecoms stocks doubling while many industries have crashed.

The search for residual growth – or, failing that, for defensive qualities – has grown more intense. The blue chips in the FTSE 100 index, I suggested,

would follow the Dow Jones.

As for smaller companies, I said that, after a disappointing 1997, it was unlikely 1998 would hold anything better for them in fact, there was an early summer rally by the UK's second-liners but, in the end, the SmallCap (excluding Investment Trusts) index is down 15 per cent.

My main error was in being too pessimistic about Wall Street. With an eye on the Asian crisis and global deflation, which was bound to make US earnings forecasts unachievable, I suggested that the Dow, then 7902.5, would not beat its 1997 high of 8399.21 during 1998. However, I mentioned the possibility that another surge of liquidity would drive the US market still higher, and this is what happened in the early months.

What then? I thought there would be a significant setback later in the year and, indeed, we had a spectacular summer collapse that took the Dow to a low of 7589.07 at the end of August.

Yet, there followed an astonishing recovery to a final peak of 8374.27 in November. Earnings downgrades have been brushed aside, although it can be argued that the crazy wave of speculation in often flimsy internet stocks is a classic symptom of an end-of-cycle binge. US second-liners, though, as measured by the FTSE 100 index, I suggested,

can be said to be in recession in most countries.

Thus, domestic overheating in the UK never turned out to be the threat I feared at the beginning of the year, although headline retail price inflation topped 4 per cent at one stage and average earnings growth exceeded the Bank of England's danger level of 5 per cent before the statistics were withdrawn, as possibly misleading.

With inflation settling away, however, it has been an excellent year for the G10 government bonds (although bonds of emerging economies, notably Russia, have often proved disastrous). In the UK, long gilts have given a total return of 25 per cent, significantly more than have equities, as yields have tumbled from 6.3 to 4.5 per cent; the total return on War Loan has been 34 per cent. Perhaps this reflects hopes of convergence with the still lower yields on euro-denominated bonds. But fears of a depression-type scenario are also spilling over.

The year ends with investors distracted by mega-mergers and the imminent launch of the euro from the increasingly poor corporate earnings prospects. September's hedge funds debacle gave a warning of how fragile today's sophisticated and high-flying securities markets can be. Should this week's Bank cut be viewed positively, as providing a boost for the markets, or negatively, as demonstrating the progressive weakness of the economy? The stock market seems unable to make its mind up. Perhaps in 1999 it will.

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FT WEEKEND



Arcadia

Meet me at the t-bar

Forget coffee, a tradition from the east is spreading westwards, says Gillian Cribbs

High on the craggy mountains of China's Fujian province grows a rare wild tea, highly prized for centuries by the Chinese.

It grew in such remote and inaccessible places that the monks in nearby monasteries are said to have trained wild monkeys to pick it - hence its name, Monkey Picked Oolong. The practice may have faded into legend, but a tiny crop of this pure, delicate tea is still harvested, making it one of the rarest and most expensive in the world.

But Monkey Picked Oolong, and 40 other exotic teas, is available to take away from the t-bar, Britain's first designer tea shop, which opened in London recently. The cafe, in Baker Street, is the brainchild of tea and coffee merchant Whittard of Chelsea, and is the first in a new wave of modern tea bars set to sweep the capital next year.

With its minimalist blue-and-white decor, chrome tables and beech floors, it is worlds away from the cosy, chintzy image of a traditional tea shop. Emma Gray, assistant manager of the t-bar, says: "We try to cultivate an atmosphere of calmness and serenity ... it's the opposite of the in-your-face ethos of US-style coffee bars."

Dressed in jeans, black T-shirts and trainers, Gray and her colleagues will give advice on the teas, which range from popular blends such as Earl Grey to the more exotic Gunpowder China, a green (unfermented) tea, and novelties such as Sticky Toffee Pudding tea ("all the taste without the calories") or a pot of specialty tea (two good cups) costs £2.50, while a "bottomless cup" of the house blend costs just £1. Cakes, sandwiches, fruit juices and (without it) coffee are also available.

Downstairs is a cavernous seating area with bistro-style tables, bright squashy sofas and an alcove housing a low, oriental table. There, on a cold Saturday afternoon in November, two Japanese girls sitting on floor cushions were gracefully pouring pale tea into blue rice bowls.

In the corner, a young couple were poring over newspapers with a pot of Earl Grey, while a middle-aged woman was pouring Lapsang Souchong and busily forking chocolate cake into her mouth. With soft jazz music playing in the background, the atmosphere was at once calm and uplifting.

Giles Hilton, Whittard's "nose" - or chief tea selector - says the inspiration for the t-bar came from the traditional tea houses he has visited in China and Singapore. "Over there, the tea house is a place for contemplation, away from the bustle of life. It is a place to find stillness and inner peace."

Hilton says the British are now on the verge of discovering real tea: "We have come a long way in the last 15 years," he says. "Our eating habits have improved beyond recognition. Now people are looking at tea again."

His sensitive nose is able to distinguish not only between different kinds of tea, but also slight variations in conditions under which the crop is harvested, such as whether it rained on the day the tea was picked.

"An individual state, Darjeeling is like a chateau-bottled wine - it has subtle variations from year to year. We may drink a lot of tea, but sadly most of it is the strong, brown stuff - we want to stimulate a taste for a wider range of tea."

Simon Hill-Norton, new business manager for Whittard, is just as passionate. "Drinking tea is a seductive

"It's the opposite of the in-your-face ethos of coffee bars'

conscious Californians who are flocking to the trendy tea bars springing up on America's west coast.

Ilynd Lewis, executive director of the British Tea Council, believes that if the US is switching on to tea, it could lead to a shift in the perception of the UK's national brew. He says the British drink huge amounts of "ordinary tea" - about 76 per cent of Britons account for 186m cups a day - but very little speciality tea.

The first tea was sold in Britain in 1657, by Thomas Garway, a London tobacco and coffee-shop keeper. In 1663 it was introduced to the royal palace by Catherine of Braganza, the Portuguese wife of Charles II. Tea soon became a fashionable drink for

the rich and famous and later for the general population.

In the 17th century, taxes on tea made it rare and expensive, but the tea trade acts of the early 18th century ensured its regular supply. It soon became popular to take tea as a light meal between lunch and dinner, an idea that was seized upon by temperance reformers who saw it as an ideal drink to combat the dangers of alcohol.

Today, tea carries nostalgic associations for many - childhood high tea, village cricket in summer, dances at the Ritz. But there are also the less glamorous associations ... builders in the kitchen, greasy spoon cafe, chats with the vicar. Indeed, in the past 50 years, tea seems to have developed its own social dilemma: when is Indian preferable to China? Dave I drink Orange Pekoe at the office?

Tourists visiting Britain each year are, of course, blissfully unaware of these social difficulties. In every tourist spot, there are tea shops eager to cater for those who want to experience a "proper" English tea.

The key ingredients, it seems, are a historic building, preferably oak-beamed, with a roaring fire in winter and a pretty garden in summer; linen tablecloths, proper china, cucumber sandwiches and scones with jam and cream.

Quaintways tea shop in the Kent village of Penshurst, housed in a Grade II listed building which was once a bakery, fits that bill perfectly. Inside the low, oak-panelled room are several tiny tables bedecked with flowery cloths.

As for tea being sexy, owner Leslie Catlin gives the impression that she believes what goes on in London is a little racy for the country. Monkey Picked Oolong might not appeal to her clientele.

Home Truths

True happiness means a wife and kids

Post-modern man enjoys six ages, the more stressful the better, says John Willman

You need to know two things about men. First, William Shakespeare was wrong: there are six ages of man, not seven. Second, the happiest men are those who are busiest and most stressed-out. When life becomes less busy and stressful, happiness declines and health worries multiply.

However, most men have the ingredients of a happy life: six out of 10 are busier than they were five years ago and nearly half say their lives are more stressful. As a result, two-thirds are happier.

These momentous conclusions emerge from a study of human behaviour carried out by the polling organisation Mintel. Its pre-text: to mark the dawning of the new millennium.

The greatest stress, Mintel found, is felt by those in its first age group - pre-family singles. They are making the troubled transition of adolescence from mewling and puking infant to lover, sighing like furnaces".

Friends - as the American TV sitcom tells us - are very important at this age, as is having a social life. This means looking well-dressed (60 per cent), girlie-style lolting in the bathroom

(almost half daily more than 15 minutes each morning) and trying out new toiletries (57 per cent).

It also involves drinking prodigious amounts of lager, chosen because it is a well-known brand (44 per cent), on special offer (24 per cent) or simply "good to get drunk on" (15 per cent). Not surprisingly, these lads like reading men's lifestyle magazines such as Loaded and 47 per cent say they like to go clubbing or to raves.

Spoor or later the "woeful ballad" made to a mistress's eyebrow leads to Mintel's next age pre-family couples. Elles follows - 56 per cent are happier, more than half healthier and 27 per cent say their life is less stressful.

This is probably because the arrival of a significant other brings important fringe benefits - such as cooking, cleaning and shopping. The proportion of men taking full responsibility for any of these chores immediately falls, a trend that continues through the remaining four ages.

A tip for women, however: money problems also ease and only a quarter of single-parents say they haven't enough. Dressing well becomes more important again and the emphasis shifts towards quality and luxury brands - Pringle sweaters and Daks.

Shortage of money is the biggest concern in this age, felt by more than a third. Next is education - six out of 10 worry about their children's progress.

Of much less concern is a social life; only one in eight thinks it important. A

decent pub for a man of this age is that going out becomes less important. Then the arrival of children makes him the third age family man.

Shakespeare rather glosses over this age - children had only walk-on parts in his day. But for modern dads, the first few years as a family man are the busiest and most stressed-out of their lives. They are also among the most satisfying: 82 per cent of men with children under five say they are happier than five years ago.

Something has to give, however, and it is regular exercise (taken by fewer than a third) and diet (only a quarter say their diet is healthy). There is also less time to keep up appearances, with one in six describing their personal style as "scruffy". Family men want clothing that is "easy to wash" and "durable and hard-wearing" - non-iron shirts and trousers.

Shortage of money is the

biggest concern in this age,

felt by more than a third.

Next is education - six out of

10 worry about their chil-

dren's progress.

This trend continues into

Mintel's next age - when the

kids finally leave home and

their parents become post-

Metropolis

Sensitivities on their sleeves

Saigon is celebrating 300 years of history but some things are off the agenda, says Jonathan Birchall

In the annals of modern Vietnamese history, the old quay in Saigon, once known as the *Mercurius Maritime*, holds a very special place. For it was from here, in 1911, that a young man called Nguyen Tat Thanh set out by passenger ship for Europe. en route, eventually, to his place in history as Ho Chi Minh, founder of the Vietnamese Communist party and father of the modern Socialist Republic of Vietnam.

After the end of the Vietnam war in 1975, when Saigon was officially renamed Ho Chi Minh City, the old customs house on the quay became a museum, and now serves as the Communist party's southern shrine to Uncle Ho.

So when a local historian, Professor Nguyen Dinh Dau, told a conference in 1994 that Ho officially boarded from a site further up the river, the revelation caused something of a sensation, before being quietly put to one side. "It was," says the 75-year-old professor, "a sensitive point."

This week, as Saigon begins seven days of celebrations to mark its 300th anniversary, there will be plenty of such historical sensitivities on display, in a city familiar with the ways of official ideology and reality.

On the road in front of the city's Tan Son Nhut airport, a vast red and white billboard with a picture of Uncle Ho sets the official tone, boldly heralding 300 years of "peace, friendship and co-operation".

But in Saigon all three have often seemed in dangerously short supply. From the arrival of the French in 1861, to the turmoil of the 1960s and 1970s, to the era of re-education camps and the exodus of the boat people which followed the communist victory of 1975, Saigon has borne its share of Vietnam's modern troubles, and the memories of it still spill silently onto the streets of the city.

Just take a walk along Dong Khoi street, known before 1975 as Tu Do street, and before that as rue Catlin, past the lounging motorcycle taxi drivers, and the street children selling postcards, from the old French Opera House, down towards the river.

In the shadow of new high-rise office blocks, the souvenirs shops have the trio-hat of history on sale: old French 100 and 500 piastres, marked Banque de l'Indochine, piled alongside the inscribed Zippo Lighters - most of them fake - beloved of the American GIs.

Firmly off the agenda is

any debate of the more contentious events - which means anything since 1945

to the past, but they don't normally like to talk about it, at least not to strangers. At the book shop, the young woman behind the counter will explain, when asked, that her father used to work for the American Associated Press news agency, alongside Peter Arnett, latterly famed for his coverage of the Gulf war, but they won't say much more.

The official programme of

this week's celebrations will, nevertheless, be stressing the Vietnamese people's unified and invincible advance towards independence, to create what the slogans call "a rich, cultured and egalitarian city worthy of the name of Uncle Ho".

The Saigoneers will sell you

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Their history consists of

ideology and imagination," he says dismissively. "They want to make it seem as if they did everything; everything else they want to throw away. They want to abolish history."

Father Tin will not be invited to the official celebrations, which, aside from a seminar, will include a fireworks display

over the Saigon River, a football tournament, and, strangely, a fashion show by Pierre Cardin.

Meanwhile, Dau says he is

planning to relaunch his

paper on the young Ho's true

point of departure, which he

says has won support among

the political leadership, and

he is hopeful of a better

reception.

"It is a fact," he says, "it

cannot be ignored."

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